THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

May 24, 1941

Americans Face Their Most Serious Crisis in Shanghai's History

China War Intensified

Anarchy in Shaohing

Deny U.S. Mediation Reports

Japanese Military Believed Unprepared To Wage Long War in South Seas

BY JOHN AHLERS

VOLUME 96 PRICE 80 CENTS (in China) NUMBER 12

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

WAR AND RICE

To the Editor:

The big Japanese drive, which began at the last of April has cut off numerous vital communication lines, which has caused much apprehension. The price of rice has soared from $2 to $3 a catty and this has greatly alarmed the people because of the resulting hunger and suffering. Other commodities have kept step with rice, despite the Government's action in appointing a Foodstuff Administration Bureau.

Japanese bombing has not been limited to Chungking, but they have also played havoc in innumerable small towns along the Yangtze. Since these towns are without medical aid the suffering has been terrible. Then on May 3, 54 Japanese sinister bombers dropped more than 200 explosives—in German Nazi fashion—on our wartime Capital. We were told they were all American planes and they came and went without meeting any of our pursuit planes or the fire of our anti-aircraft guns. Again they bombed us and Kiangpei opposite across the river and Tsan-shou, also not far from here.

Our newspapers publish next to nothing about the military and political situation in this country, but they print much about the war in Africa, Europe and elsewhere. More than half of the space in our papers is filled with the ads of our modern cafes and restaurants, which are bidding for trade. Many people who have a plentiful supply of paper money enjoy themselves, but others do not get on so well. It is only the rich farmers, merchants and government officials who can send their sons and daughters to school. The papers printed a story about a poor school teacher, who received only $60 a month. How could she live on it? Most of the school teachers receive less than office boys in banks. It was reported that Dr. Mei Yee-lin, director of Public Health, actually had said that dogs should be eaten in place of the expensive pork. Some people recently held a so-called "Nutrition Exhibition," but how can the people cook beans and rice and other foods containing vitamins when they cannot afford to purchase the beans, which cost from $2 to 2.50 a catty. It is important to know how to prepare food scientifically, but they should teach how to obtain food "scientifically," when they have no funds.

Lower Bracket.

Chungking, May 10th, 1941.

DEAD CITY

To the Editor:

I thought you might be interested in conditions at Chengchow:

This city was a very busy and bustling city about three years ago when the Ping-Han and Lung-Hai Railways met here, but the city became a "dead city" after the Yellow River changed its course in June, 1938, at a point some 50-li northeast of Chengchow. Many persons away from Honan thought the city had fallen into the hands of the enemy, for the Japanese had already reached Chungmo, which is 80-li east of Chengchow. But they were wrong for the enemy withdrew and many persons returned to their daily work. The railways were torn up one after another, thus making the city a lone island, somewhat like Shanghai, though there was some difference.

Chengchow still stands boldly on the "free" side of the Yellow River and generally has a better appearance than is the case with Kaifeng, the old Capital. The Japanese have tried many times to cross the River, but their attempts were always frustrated. Many times their planes flew over and dropped many bombs, but none here was disheartened.

Today, the streets are still full of people and many new shops have opened in place of the old ones which had been demolished by Japanese bombers. Civilians, clerks, officials and soldiers all are cheerful and seem to say in their hearts, "Although we are near the enemy, we will not shirk our duty to our country."

I hope that some of your other readers will describe conditions in their cities which may happen to be near the Japanese lines.

Lee Tien Cheng.

Chengchow, Honan,
May 12th, 1941.

AMERICA AND THE WAR

To the Editor:

Since the Lend and Lease Bill was passed and signed by President Roosevelt America will not stand neutral to the present European war as well as the Sino-Japanese hositilities but will interfere in these wars for both American safety and interest. According to the bill, she will supply money and weapons to those democracies which are fighting against aggression.

In spite of how Germany and Japan have blamed America for such actions, America will never change her policy. In answering the Russo-Japanese neutrality pact, America has sent more forces to the Philippines and lent $50,000,000 to China again. Besides she has promised to help Britain with practical actions. It is very possible for America to enter into war in the near future. We believe if Japan dares to push southward, America will fight against Japan. Or for the sake of supporting Britain to resist against Germany, she will fight against Germany. In short, for keeping her national safety and her commercial interest, and

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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for assuring the existence of the Democracies, America will eventually go to war with the aggressors.

Mu Wen-fu.

Chungking, April 24th, 1941.

NOT DEAD

To the Editor:

I noticed in the April 5 issue of **The China Weekly Review** a short item telling of the death of Miss Hsieh Pinhsin. This report, which I believe originated in a tabloid in Peiping. Miss Hsieh has been on the staff of the Women's Advisory Committee here since last summer. She was present at a Yenching alumni dinner here only three weeks ago which I attended. I had planned to interview her and send you her picture to prove that she is alive, but am told she is living in the far outskirts of the city.

T. F.

Chungking,
May 7th, 1941.

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AMERICAN STOCK AND COMMODITY QUOTATIONS

May 21, 1941

STOCKS

Amer. Locomotive	12
Amer. Waterworks	4⅛
Anaconda Copper	26⅛
Bethlehem Steel	71
Chrysler	56⅝
Elec. Bond & Sh.	2⅛
Gen. Motors	38⅛
Goodyear T. & R.	16¾
Gt. Nthrn. Rly., pfd.	25½
Lockheed Aircraft	21¼
Mont. Ward	33½
N. Y. Central	12½
Texas Corp	40⅜
U. S. Steel	53⅝

COMMODITIES

New York Cotton, July	13.06/07
New York Rubber, July	23 30/30
New York Hides, June	15.36B/40A
Chicago Wheat July	100/100⅛
Chicago Corn, July	74⅜/74¼
New York Sugar, N. 4, July	0.83B/83½A

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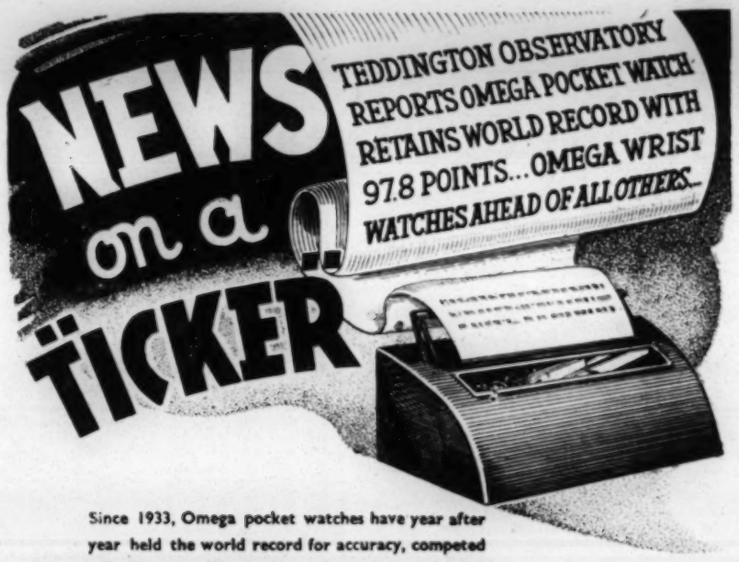
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Demand Buying rate on N.Y. ... ... U.S.$1.	=Sh.$18.39	=Sh.$18.39	=Sh.$18.39	=Sh.$18.18	=Sh.$18.39	=Sh.$18.18
Demand Selling rate on London ... £1–0–0	=Sh.$73.85	=Sh.$73.85	=Sh.$73.84	=Sh.$73.14	=Sh.$73.14	=Sh.$73.14
Demand Buying rate on London ... £1–0–0	=Sh.$71.77	=Sh.$71.77	=Sh.$71.77	=Sh.$71.11	=Sh.$71.11	=Sh.$71.11

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Selling rate during May 16—22, 1941

Shanghai $100. equals Yen	22½	22½	22½	22½	22¾	22¾
Shanghai $100. equals Guilders	9⅞	9⅞	9⅞	9¾	10	10
Shanghai $100. equals Rupees	18⅛	18⅛	18⅛	18⅛	18¼	18¼
Shanghai $100. equals Pesos	10⅝	11⅛	10⅝	10⅝	10¾	10¾
Shanghai $100. equals Hongkong $	21⅝	21¾	21¾	21¾	21¾	21¾

THE CHINA WEEKLY REVIEW
密勒氏評論報

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AMERICANS FACE THEIR MOST SERIOUS CRISIS IN SHANGHAI

ALTHOUGH American enterprise in the Far East started at Canton almost simultaneously with the birth of the American Republic, the development of American commerce and cultural activity at Shanghai has been more typical of the spirit of the American nation than was the case at Canton or elsewhere in the Orient.

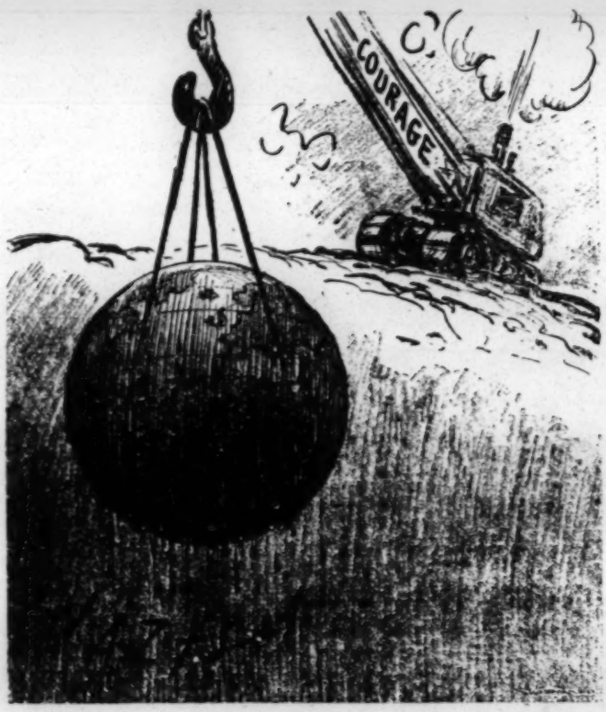
The fact that Shanghai was a foreign-controlled city naturally offered opportunities for nationalistic development which were not possible at Canton which remained a purely Chinese city. All of the early histories of Shanghai tell of the presence of Americans here when the city was opened for foreign trade on Nov. 17, 1843. The first consul was Henry G. Wolcott, who was connected with the firm of Russell and Company, a firm which left its imprint on the China trade for nearly a half century. Another American Consul, John N. A. Griswold, also connected with Russell and Company, had considerable to do in creating the peculiar "international" character of the port. However, he didn't realize the significance of his actions then—1848. What he did was put up an American flag in the then British Concession, and keep it up despite protests from both the British and the Chinese authorities. The British Consul insisted that no flag, other than the British, could be unfurled in the Concession. The British Consul therefore protested to the Chinese Taotai, who also protested and forwarded both to the American Consul.

The British Consul thought that if the Americans wanted to fly their flag they should get their own concession, a proposition which also, apparently, had the approval of the Taotai. Later one reads of American development projects in Hongkew, but that was for the future. The Consul insisted it was his right to keep his flag flying, if for no other reason than as a protest against the principle of exclusive privileges and exclusive rights. He argued that the alternative was a separate concession for each of the nations which might come to have relations with China. Thus, without realizing it Consul Griswold, by insisting upon his right to fly the American flag, was responsible for the creation of the international status in Shanghai which still exists.

Since Soochow Creek was the northern border of the British Concession, the fact that most of the Americans crossed the creek and established themselves in the area to the north indicated that they had taken the matter of an American concession to heart. Since shipping was the chief commercial enterprise of the early Americans, they were more or less forced to extend down the river as there was no space anywhere else. This accounts for the extensive dock space owned today by the China Merchants Steamship Company, for that concern was the successor of the well known Russell and Company. The American Church Mission also established itself north of the Creek and a notice appeared in the *North China Herald* on March 16, 1852 telling the Americans that "any purchase of land within Shanghai or within its neighborhood, could be negotiated and confirmed with the Chinese officers through the American Consulate, without intervention in any manner of any other foreign authority." The notice contained the name of Edward Cunningham, American Vice-Consul.

But while the so-called "American Concession" grew and prospered, Washington didn't think much of it and

Only Way to Lift it Out!



Chicago Daily News.

refused to be dragged into a scheme fostered by local American interests to establish an exclusive concession. Even though the American consul had established his residence there (February, 1854) and the district had come to be known as the American Settlement, the area actually remained without organization or police protection until long after the first great influx of Chinese refugees fleeting from the fanatical Taiping rebels.

The problem of the American "settlement" was finally solved through the amalgamation of the area with the British Concession, thus further clinching the international character of the port. It also is recorded that an early American consul was responsible for the decision to permit Chinese to live in the Settlement. Originally it was planned to use the foreign-administered areas as places of residence and business exclusively, but when the Taiping Rebellion broke and thousands of Chinese refugees flocked into the Settlement, the American Consul urged that the people be permitted to remain. He said it would lead to better understanding and relations between the Chinese people and the foreigners. The influx of Chinese refugees was also responsible for the development of a new enterprise, the real estate business, as local residents found it highly profitable

to build cheap houses and rent them for a high price.

The Taiping Rebellion, incidentally, which started as a legitimate protest against tyranny and reaction, deveoped into fanaticism, and thus provided the Settlement with its most serious crisis, resembling in some particulars the problems which have followed in the trail of the Japanese invasion. The Taiping Rebellion,

Still the Big Question

Chicago Daily News.

which covered approximately the same period as the American Civil War, was said to have caused the deaths of some 20,000,000 people. Many places in the Lower Yangtsze region still show the effect of the Taipings. It was a combination of the Taipings and American civil war that caused the collapse of Russell and Company, the leading American trading and shipping firm. But American trade, although greatly reduced, continued. It also persisted through the turbulent years of the Boxer Rebellion and the First Revolution in 1911. And also the first World War!

The Washington Arms Conference, which was called by the United States in 1921, attempted to establish three principles with regard to relations of nations in the Pacific: (1) Arms parity on the part of Britain and United States with limitation of arms for all maritime nations; (2) Independence of China; (3) Peaceful settlement of intenational controversies having their origin in the Far East.

The Washington Conference also established the principle of the re-establishment of Chinese sovereignty over the foreign concessions and settlements and thereby established the principle of gradual rendition of the International Settlement to Chinese control. But the decisions of the Washington Conference, including the Nine-Power Treaty which guaranteed China's territorial and administrative integrity, were all overthrown when Japan violated the sacred pledges of her delegates and marched into China's northeastern provinces. Later the Japanese also repudiated the Naval Limitation Treaty on the ground that the treaty interfered with Japan's freedom of action. Japan's wholesale violation of treaties was followed by Italy's conquest of Abyssinia and Germany's rape of Poland and another world war was on. Japan's seizure of the Manchurian provinces met with resistance, which has grown into a devastating war which is continuing. In the meantime Japan has linked her fortunes with those of Germany and Italy, whose inclinations with regard to aggression are similar to those of Japan.

American interests are thus bound up with the destiny of Shanghai, which is menaced by the threat of Japanese military control. Shanghai's stability for practically a century was based on British power, which usually had the support of the United States. Today, British authority is weakened as a result of the situation in Europe leaving the responsibility of protection largely with the United States. As indicated in Robert W. Barnett's new book, "Economic Shanghai: Hostage to Politics," it would be folly to appraise the prospects for the city's ultimate future." What will be the reaction here in the event the United States enters the war in Europe, as now seems a certainty. Recent developments have tended to strengthen Japan's position, which is being bolstered by Germany somewhat as happened in Italy. Will Japan permit herself to be dragged into a war which will, in all probability, result in the break-up of her Empire as happened with Italy?

Important elements having a bearing on the situation here are Japan's large population and investments in the United States, far more extensive than American population and investments in Asia. Furthermore, Japan's economic destiny is so dependent on her commercial contacts in North and South America, that a severance probably would throw the country into economic chaos—despite the strenuous efforts of a German Economic Mission designed to enable the Japanese to face such an emergency.

We quote again from Mr. Barnett: "The solution of the Shanghai problem is intertwined with the outcome of a conflict involving forces which will continue to struggle to a fateful conclusion—in which the future of Shanghai with its millions of long-suffering workers, its resourceful industrialists, ingenious workshop managers, shrewd bankers, and enterprising merchants will be determined, almost incidentally, as a consequence of the settlement of far larger issues. Nevertheless, a record of the three and a half years of Shanghai's wartime experience may possess instructive lessons for those who wish to assess economic Shanghai's prospects in adjusting itself to the new vicissitudes and opportunities which may be ahead, both during and following the period of dormant antagonism and open conflict in which the world is now engaged."

Sino-Americans Study Trade Problems in a Warlike World

In the future the United States probably will not continue to pour her wealth into Far Eastern countries through an unfavorable trade balance unless she can direct the spending of the money these countries thus make, stated Mr. A. Bland Calder, Assistant U.S. Commercial Attache, in an address at the Chinese-American Trade Tiffin held Wednesday at the American Club in connection with Chinese-American Trade Week.

Other speakers at the tiffin, which was attended by more than 150 people, were Mr. E. L. Pan, President of the China Travel Service, and Mr. James Nichols, Acting President of the Chamber of Commerce, who also presided.

Mr. Calder further stated that although Shanghai's imports had been steadily increasing, it was not particularly a good sign as many of the products brought in were materials that should be supplied to the city from its

hinterland and not have to be imported. In this connection he said that local businessmen should not condemn the U.S. for not allowing the export to Shanghai of certain materials, saying that many of them were actually needed at home. He pointed out that the capacity U.S. steel output of 83,000,000 tons annually....almost 12 times the steel capacity of Japan....may have to be stepped up to between 110 and 120 million tons yearly if all domestic requirements are to be satisfied.

As the U.S. is the Far East's best customer, buying more than it sells here, it was probable that in the future America would not encourage such an outpouring of its wealth without insisting that such trade benefits shall be employed for the welfare and permanent stability of the peoples in the countries concerned.

Mr. Nichols then introduced Mr. Pan, who spoke upon the importance of communications in maintaining China's foreign trade. In the past, he said, we thought of commerce and trade in terms of huge cargoes, ships, etc., but now our trade with America has a personal side to it with foreigners and Chinese contacting the very processes of production. Mr. Pan then remarked that the various contacts made with America in the course of maintaining this trade were perhaps even more important that the trade itself.

Using freight rates as a basis of gauging the difficulties of transportation into the interior it may be recalled that prior to the outbreak of the war it cost $60 to ship one ton of general cargo to Chungking via the Yangtse River, while it now costs $10,000 to ship a ton of freight to Chungking as it must go over the Burma Road, Mr. Pan said.

Mr. Nichols, first of the speakers, stated that although China had suffered greatly, she would recover and expressed the conviction that the future relations between China and America would be even closer than in the past.

Preceeding the speeches, Mr. Nichols read the telegrams sent to the Chamber by Ambassador Gauss; Mr. Jesse H. Jones, Secretary of Commerce; Mr. Albert W. Hawks, President of the Chamber of Commerce of the United States; and Mr. James A. Farrel, Chairman of the National Foreign Trade Council and Honorary Chairman of the New York Foreign Trade Committee.

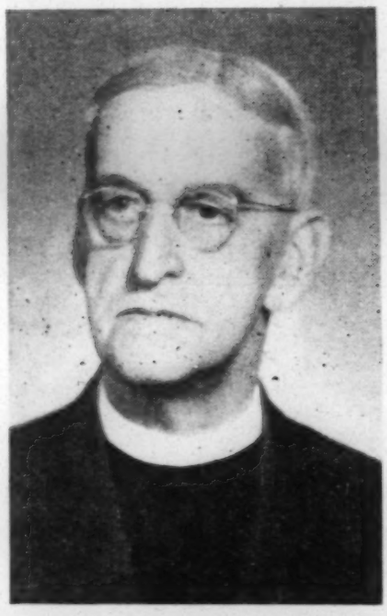
These messages all expressed wishes for a successful week and complimented local American businessmen on their undaunted spirits and determination to continue business despite the unsettled conditions and many obstacles confronting them.

Honor Guests included: Mr. Frank P. Lockhart, U.S. Consul-General here; Mr. Y. L. Chang, Acting Manager of the Shanghai Branch of the Central Bank of China; Mr. J. T. Chu, Manager of the Shanghai Commercial and Savings Bank, Ltd.; Mr. Percy Chu, general Manager of the Joint Reserve Board of Shanghai Bankers; Admiral W. A. Glassford, Commander of the Yangtse Patrol; Mr. Ki Chun, Director of Universal Investment Company, Ltd.; Commander C. R. Jeffs, Chief of Staff of the Yangtze Patrol; Colonel S. L. Howard, Commander of the Fourth U.S. Marines Corps; Judge Milton J. Helmick, Judge of the U.S. Court for China; Dr. R. J. McMullen, Acting Chairman of the American Association; Mr. Irving S. Brown, Assistant U.S. Treasury Attache; Miss A. Viola Smith, U.S. Trade Commissioner; Mr. David C. Berger, Executive Consul of the U.S. Consulate; Mr. T. K. Ho, Chinese Secretary of the S.M.C.; S. S. King, Sub-Manager of the Bank of China; Mr. Francis Koo, Sub-Manager of the Bank of China; Mr. David Kwok, Sub-Manager of the Wing On Textile Manufacturing Company, Ltd.; Mr. L. S. Kwok, General Manager of the Wing On Company; Mr. Leon Kwok, General Manager of the Oriental Trading Company; Mr. K. T. Lee, General Manager of the China Chemical Works, Ltd.; Dr. J. Usang Ly, President of Chiao-Tung University; Dr. William Z. L. Sung President of St. John's University; Mr. P. Y. Tang, General Manager of the China Cotton Manufacturing Company; Mr. T. F. Wei, Agent for Kailan Mining Administration; Mr. B. Y. Woo, of the Banque pour L'Etranger; Dr. Yen Te-ching, former director of the Ministry of Railways; and Mr. S. U. Zau, formerly Vice-Minister of Industry and Commerce.

Well Known Americans Retire From China

Three widely known Americans in Shanghai, who have resided here for many years, are scheduled to depart shortly for the United States where they plan to reside. They are Dr. and Mrs. F. L. Hawks-Pott and Major Arthur Bassett.

Dr. Pott is one of the oldest foreign residents of China, having come to China to assume the presidency of St. John's University 53 years ago. He was then only 24 years of age. Dr. Pott was born in New York City and attended Columbia University, General Theological Seminary, where he received the degree of D. D. He also studied at Trinty College and the University of Edinburgh. He was married to Miss S. N. Wong on Aug. 23, 1888, and has four children, James Hawks, William Sumner Appleton, Walter Graham Hawks and Olivia Hawks. The first Mrs. Pott died several years ago, and in 1919 Dr. Pott was married to Miss E. G. Cooper of Shanghai in 1919. In 1910 Dr. Pott was elected Missionary Bishop of Wuhu, but declined the appointment. He has written numerous books and has translated many treatises into the Chinese language, including "Commentary of the Apostles' Creed," "Science Primer," "Physical Georgraphy," Life of Christ," "Extension of the Kingdom," and other works. Among his books are "The Outbreak in China," dealing with the Boxer Rebellion in 1900; "A Sketch of Chinese History," "Emergency in China," "Short History of Shanghai," etc., etc. He has received numerous decorations and honorary degrees and ranks as one of the leading educators and scholars of the country.



Dr. F. L. Hawks Pott.

Major Arthur Bassett was born in Paris, Missouri and studied law at the University of Missouri and at Washington University, St. Louis. He came to China originally in 1906 as the first District Attorney in the United States Court which had just been established at Shanghai, under Judge Wilfley of St. Louis.

Major Arthur Bassett.

In 1910 he resigned and went to Mexico City, where he resided for three years, returning to Shanghai in 1913 to become attorney for the British-American Tobacco Company, later becoming a director, a position he has held to the present. He served with the U. S. Forces for two years in World War 1, and was stationed at Tientsin.

Major Bassett has become widely known in recent years due to his connection with the American Red Cross and the Advisory Committee for China Relief, two organizations which have distributed funds, foods and medicines to Chinese war refugees in all parts of China from the

Great Wall to Canton and from Szechuen to the Sea. He is Chairman of both the American Red Cross Committee and the Advisory Committee for China Relief, both of which have distributed foods, medical supplies and funds amounting to many thousands of dollars. Major Bassett will join Mrs. Bassett at Seattle where they plan to reside for some time.

Anarchy and Starvation Reign In Japanese-Controlled Shaohing

BY HENRY LIM

When Japanese military forces first occupied the populous city of Shaohing in eastern Chekiang on April 17, they professed to be the "saviors of the local people" and attempted to make them believe that their living conditions would be improved under the rule of Japan.

If any people in that wine-producing city did believe in the pretentious promise of the Japanese army, they are sure to find themselves greatly deceived and disappointed. For today, five weeks after the advent of the "Saviors" the inhabitants of Shaohing know that they are living in hell. Anarchy and starvation aule the city. Looting, kidnapping and extortions, most of which are carried out by the Japanese army's hirelings, are still the order of the day. A watertight cordon of senties has been thrown around the walled city, and nobody has been permitted to pass out of the city gates, although many people are allowed to enter.

Yet, in spite of this strict blockade against local traffic, some people have succeeded in escaping the living hell that is now Shaohing, and a few lucky ones have since reached the safety of Shanghai. It is directly from some of these persons that this writer obtained the facts and the information of this report.

One traveller, or rather a survivor, to be more exact, gave me a detailed account when he arrived at Shanghai last week. At the very first inkling that a Japanese effort to hunt for the wealthy or prominent personages of the locality was under way, he decided to run the siege in spite of its dangers. He found break in the city wall and, with two companions, crept over it in the night. During the process of escape one of his companions was shot dead by a sentry guarding the gap.

According to the account, the first act of the Japanese forces after entering Shaohing was to seize all local bankers and round them up. In fact, the Japanese arrival was so sudden and so devoid of advance intelligence that the local administration as well as financial quarters were caught completely unawares. Since no Chinese troops were stationed inside the city, fighting did not break out. The Japanese did not bother themselves to occupy the offices of the political organizations but went straight to seize the banks, all of which had just closed a day of normal business and never dreamed of that Japanese soldiers were on their thresholds. The banking circles blamed the local civil and military authorities for having failed their duty in anticipating the approach of Japanese forces, but it was suggested that the Chinese intelligence officers might have been on strike owing to the high cost of living. At any rate, the banks were not warned in time to evacuate.

Before its fall Shaohing suffered severely from scarcity of rice and many other daily necessities such kerosene. The Japanese did ship many boatloads of rice from Hangchow to supply the starving populace of Shaohing, and did sell it at a much lower price. This was to impress the local people that Japanese rule can give them better economy, but the attempt at creating such an impression soon failed, because the Japanese could not afford to supply this staple foodstuff for long. When the shipments from Hangchow ceased, the price of rice in Shaohing soared higher than ever before and people became more famished. Today people eat beans, bran, or anything but rice, and only a few lucky sons still have some occasional meals of rice.

Another traveller just arrived from Shaohing this week reported that the Japanese are pulling down in large scale a number of houses and buildings which once housed "anti-Japanese" elements. These include the homes or properties of some Chungking officials and the premises of some schools, such as Chi San High School. The Fifth Provincial Middle School, however, escaped the fate of being demolished because its premises are now used to house the Japanese soldiers.

Among the high personages trapped in the occupied city, the district magistrate has managed to slip out of the town undiscovered by Japanese sentries, and is now functioning in some unoccupied region of Shaohing District, while the manager of the Bank of Communications, less fortunate, has been "arrested" by Japanese gendarmes. Although he was not "under suspicion" and was told by his Japanese inquisitors to go back home, he actually was not released and is reported to be still held up by the Japanese Army's Chinese mercenaries, known as the Special Service Squad. These providers of the lion are said to be demanding a large ransom from the bank executive.

This case, however, is only one of the many kidnapping cases under Japanese rule. In fact, mass kidnapping and large-scale demand for ransoms are in progress. The Chinese henchmen of the Japanese Army certainly know how to conduct the kidnapping business lucratively.

New Currency Committee to Remain in Chungking

The new Chinese Currency Stabilization Fund Committee, recently appointed by the U. S., British, Chinese Governments, will have its headquarters in Chungking, according to *Reuter* report from the Chinese wartime capital on May 19. The Committee will include three Chinese members, one Briton and one American. The Chinese members are K. P. Chen, Chairman of the Foreign Trade Commission; Tsuyee Pei, Bank of China; Hsi Teh-mou, Central Bank of China. The British member is Cyril Rogers, former member of the Bank of England and well known financial adviser in China.

American Expert

Mr. A. Manuel Fox, Member of Stabilization Committee.

The American member of the Committee Mr. A. Manuel Fox, is new to the Far East, but has had extensive experience in cost accounting, tax investigation and is will known as an economic expert. Mr. Fox is a native of Philadelphia, where he was born on May 14, 1889. He was graduated from Cornell, with the C. E. degree in 1911 and from New York University, with the A. M. degree in 1924. He received New York State and Pulitzer Scholarships in 1907. Following his graduation he became a Fellow in transportation at the University of Michigan. In 1915 he was employed by Dodge Brothers Motor Company in cost accounting work and the following year was appointed an investigator in Detroit Street Railway and Telephone rate cases. Other positions held included: Examiner Michigan State Tax Commission; Efficiency Expert, Empire Art Metal Company; Assistant to valuation counsel, New York Central Railway; Lecturer, Department of Economics and School of Business Administration, College of City of New York and Knights of Columbus Evening School, Washington, D. C.; Assoc. Prof. of Economics, Catholic University of America; Member various boards and divisions of U. S. Tariff Commission under appointment from President Roosevelt; Chairman, American Advisory Economic Mission to Venezuela (1939-1940). He is a member of the American Economic Association and American Statistical Society. Mr. Fox is married and has two children.

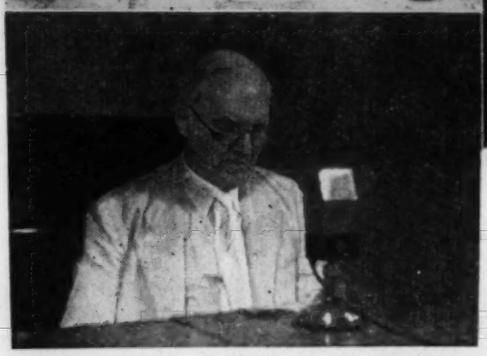
A report from Washington (*United Press*) on May 21, said that Mr. Fox was scheduled to depart for China on Monday, May 26. Cyril Rogers, British member of the Board, and Mrs. Rogers, who are now in the United States, were scheduled to sail from San Francisco on Thursday of this week and were accompanied by William Taylor, alternate American on the Board and Walter Frese of the Treasury Department, who is an assistant to Mr. Fox. Mr. Fox is flying to China and plans to remain in the Far East for three months and then reporting back to Washington.

Shanghai Americans Welcome Ambassador C. E. Gauss

Yes, the Americans are still in Shanghai, and several hundred of them turned out to welcome Ambassador Clarence E. Gauss, who formerly was Consul-General here, prior to his appointment as Minister to Australia. Those shown in the picture are (1) J. B. Sawyer, Vice-Consul; Judge Milton J. Helmick; (2) James Nichols, Acting Chairman of the American Chamber of Commerce; Mrs. R. J. McMullen. Ambassador Gauss, R. J. McMullen, President of the American Association and member of the Municipal Council; R. C. Phillips, Chairman of the Junior American Chamber and Commercial representative of Globe Wireless; (3) Dr. T. B. Dunn and his daughter, and Charles Ferguson; (4) Bland Calder, Assistant Commercial Attache; Charles Richardson, Jr., U. S. Marshal; A. R. Hager, China Theaters; (6) Mrs. R. T. McDonnell, James Nichols, P. H. Bordwell, American President Lines; (7) Ambassador Gauss, John William Powell, *China Press;* (8) The Rev. Charles E. Boynton, National Christian Council; (9) Ambassador Gauss, Mr. McMullen, Dr. F. L. Hawks-Pott, former President of St. John's University; (10) Norwood F. Allman, attorney and member of the Municipal Council; (11) Mr. Gauss and R. T. McDonnell, Hunt and Company and member of the Municipal Council; (12 Bruce M. Smith, Mark L. Moody and Company, former President American Chamber of Commerce; H. R. Butrick, Counsellor of Embassy, Peiping; Major Arthur Bassett, Chairman American Red Cross Committee, Director British-American Tobacco Company; (13) Miss Gwen Dew, Correspondent and Photographer; John Morris, General Manager, *United Press;* Lt. W. F. Harris, U. S. Fourth Marines; A Bland Calder.—Picture by Associated Photographers and Lacks Photos.

PICTURES OF INTEREST FROM A WORLD IN CONFLICT

Prominent Visitors at the Capital



James D. Roosevelt, son of the President, (Right) arrives at Chungking and is met at the airport by Major James McHugh, (holding hat) U. S. Naval Attache, and numerous Chinese and foreign correspondents. The picture below is Dr. Paul Monroe, noted U. S. Educator of Teachers College, Columbia University, who came to China to attend a meeting of the China Foundation which administers the American portion of the Boxer Fund used for education. Thos. Kwang Photo.

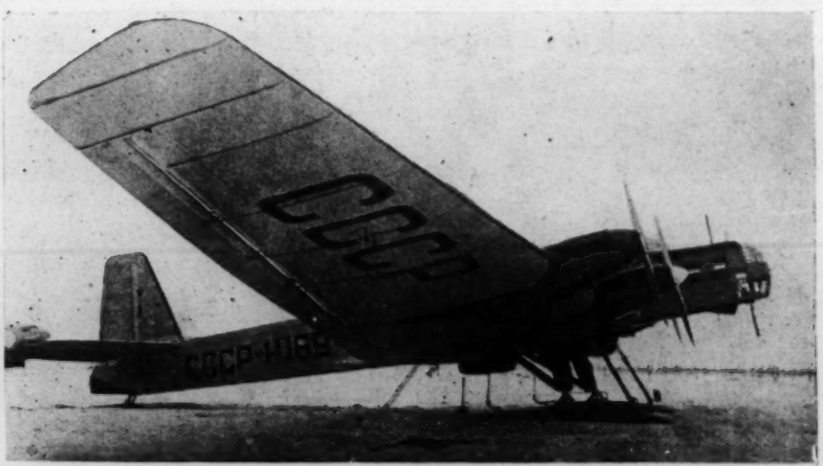
Style-Americaine!

Mrs. Franklin D. Roosevelt, wife of the President, poses in one of six new costumes created by American designers to replace Paris costumes, which are now unobtainable.

Fifth President

Scene at the launching of the President Adams, the fifth of seven sister ships, which were ordered by the U. S. Maritime Commission for the round-the-world service of the American President Lines. The new ship, launched early in February, has accommodations for 96 passengers and a crew of 124. All seven ships are of the Maritime Commission's C-3 type, have an over-all length of 492 feet, have a cruising radius of 9,100 miles at a rated speed of 16.5 knots. Two of the ships, previously launched, the Presidents Jackson and Monroe, have been fitted out and are in service. The last two of the fleet will be launched in a few months. The President Adams was built at the Newport News Shipbuilding and Drydocking Company and cost US$2,890,000. It was christened by Mrs. Robert H. Jackson, wife of the U. S. Attorney-General.

Russians Survey Northern Route



The four-engined plane "USSR-N-169," piloted by a leading Russian aviator, Cherevichny, on March 15 took off from Moscow on a long flight to reconnoiter ice in high latitudes of the eastern sector of the Arctic Ocean. The plane arrived in Moscow recently after having covered 18,000 miles.

The expedition, composed of three scientists, observed the depth of the ocean, the speed and direction of the currents, and the drift of icebanks, and undertook the examination of other meteorological and magnetic questions. The work gave important information to the Soviet Government, which is now attempting to establish a regular shipping service between Murmansk and other European ports of Soviet Russia on the one hand and Soviet ports on the Pacific Ocean on the other.

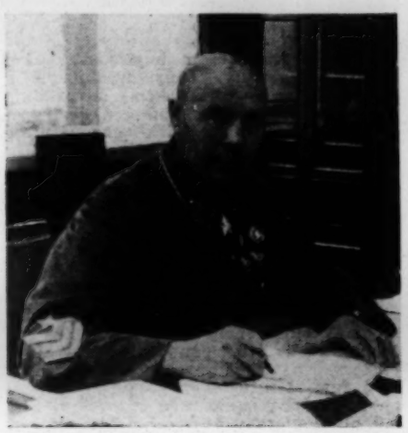
Cherevichny was decorated with the Order of the Red Star and the Order of the Red Banner of Labor.

PERSONS IN THE NEWS IN RECENT DAYS

Thousands See Body of Famed Warrior

Thousands of partiotic Chinese in Shanghai recently filed past the encoffined body of Colonel Hsieh Ching-yuan, who was murdered by subordinates in the Shanghai camp in which he was interned. Colonel Hsieh wae commander of the famous Lone Battalion which waged a historic defense against Japanese invaders during the Shanghai action in 1937.

Russian Leader



Semen Timoshenko, People's Commissar of Defense of the U.S.S.R., is shown at his desk.

Madame Chiang at Work

Madame Chiang Kai-shek addresses Chinese women member of the Kuomintang Party at a meeting in the wartime capital, Chungking.

Transocean Men Indicted

Dr. Manfred Zapp, left, American manager of Transocean News Service, the German service, and Guenther Tonn, a member of the Transocean staff, who were indicted by a federal grand jury in Washington in March on charges of violating the Foreign Agent Registration Act of 1938.

Mr. Tonn was head of the Transocean office in Shanghai about nine years ago, and at the time, according to reliable sources, he spoke with contempt of the Nazis (that was before Hitler came to power). Tonn just after the first World War was a Communist and told local newspapermen he published the first issue of Insprecorr (International Press Correspondence), international organ of he Comintern, first published in Berlin.

Japanese Military Believed Unprepared to Wage Extended Warfare in South Pacific

BY JOHN AHLERS

Recent editorials in important Tokyo papers generally considered mouthpieces of the Japanese Army surprisingly emphasized Japan's alleged desire of peaceful relations with the United States and abjured intentions of military aggression farther South than the Nipponese fighting forces thus far have advanced. This can only mean one thing: the Japanese Army and Navy do not yet feel sufficiently prepared for an open attack upon Hongkong, the Philippines, British Malaya and/or the Netherlands Indies.

The international situation has not become sufficiently critical for the Anglo-Saxons, to open up to the Japanese prospects of an easy success within a few months of a Japanese "blitzkrieg" in the southward direction, and Japan's generals and admirals as yet feel unable to face an eventually long drawn-out war in the Pacific. They realize that such a war would find the United States and the British Empire fighting shoulder to shoulder, that it would cut off Japan immediately from all further supplies from the Anglo-Saxon spheres of power, and that Japan has not yet accumulated sufficient supply stocks to allow her to face with equanimity a complete interruption of her non-Yen Bloc imports.

Japan Better Prepared

Japan today of course, is much better prepared for general Pacific war than she was a year ago. When twelve months past the German armies overran the Low Countries, Belgium and France, Japan was completely unprepared to join hands with the Third Reich in fighting the Anglo-Saxons. It would seem that at that time her fighting forces did not have sufficient supply reserves to venture upon a three-months "blitzkrieg." The situation has changed since. The present Konoye Government completely subordinated Japan's finance and economy to her military, and the latter have been enabled to draw to unprecedented extent upon those resources. For the past twelve months, only part of the economic and financial effort of the Japanese military has been devoted to producing and importing supplies for the China war, while an increasing portion of the supplies newly secured by Japan's military has been used for the accumulation of ever increasing stocks with which to fight an eventual general Pacific war.

By the end of last year, the Japanese Army and Navy would appear to have had accumulated supplies sufficient to face between six and nine months of general Pacific war. At the present time, such supplies ought to be sufficient to provide for between six and nine months of such a war. The Japanese fighting forces, for their own direct needs, today have about a year's supply in such goods as coal, fuel oil, iron ore, non-ferrous metals, small-arms, and munitions. Supplies in articles such as lubricant oils and rubber seem to be considerably smaller, but strenuous efforts are being made to stock up in these fields, too. There can be no doubt that each and every month the Japanese Army and Navy manage to put aside additional war supplies not required for the fighting in China, and that by the end of this summer they will be still better supplied than they are today.

Long War Probable

The situation is such that the Japanese expansionists, if provoking open war with the Anglo-Saxon powers now, can afford to supply a southward "blitzkrieg" of from three to six months duration, but that odds are against the success of any such venture. Probabilities are that a war breaking out between Japan and the Anglo-Saxons in the near future will prove not a short one, but will last at least a year if not considerably more. Japan's fighting forces are not yet sufficiently supplied with reserve stocks of war materials to face such an emergency. But in four months from now they will be better supplied, and by that time they will know where they are in respect of their supply with the Far East's most important foodstuff, viz., rice. The extent of this year's rice crop in Japan proper and Korea may well decide whether or not Japan will fight the Anglo-Saxons next fall.

The Hub of U.S. Pacific Defense

N. Y. Times Map.

Japan lightheartedly embarked upon the China war with no rice problem at all. In normal years, Japan proper plus Korea produce rice amply sufficient to supply the needs of both countries' populations. Only once every nine years, in the average, has Japan experienced a bad rice crop year forcing her to turn rice importer on an appreciable scale. The year 1939 turned out such an unfavorablee rice crop year, but 1940 failed to bring the expected return of normal rice crops and produced another big rice crop deficit.

Gradually the Japanese awoke to the realization that their and the Korean rice crops no longer have to fear bad weather conditions, but that the China war has brought into existence at least three important factors adverse to Japan's domestic rice supply. These factors are shortage of agricultural labor because of the large number of peasants enlisted in the fighting forces and the migration of labor from farmlands to urban industries; favoring by peasants of crops others than rice which promise better financial returns; and the ever increasing shortage of fertilizers. These three factors are likely to result in Japan rice rops crops substantially lower than normal even if weather conditions should be excellent this summer.

Huge Import Demand

The past two years' rice crop deficit in Japan resulted in a huge import demand for rice. Since the fall of 1939, Japan has had to import foreign rice at the rate of about 1,500,000 tons anually. The necessity of these rice imports drew heavily upon her foreign exchange resources. Japanese penetration of French Indo-China recently alleviated this foreign exchange strain, since France's best colony underwrote an obligation to supply Japan proper with 700,000 tons of Saigon rice annually, and this chiefly on credit terms with settlement of accounts provided for in inconvertible exchange only. In Thailand, Japan now also secures substantial quantities of rice on barter terms, and from Central China the Nipponese extract all the rice they can possibly get there. Yet Japan still has to supply the shipping space for transporting all this rice to Japan, and at the rate of 300 shiploads annually these rice shipments heavily strain the bottom space at the disposal of Japan's mercantile marine.

Japan so proud and boastful in the past of her former self-sufficiency in foodstuffs, may face only with great concern the possibility of general Pacific war during a period of rice shortage in her home islands, and of her dependence upon the safe arrival of 300 rice shipments over long sea routes watched if not controlled by Anglo-Saxon naval forces. If Japan's and Korea's rice crops this year should turn out to be good, or at least to be considerably better than during the past two years, Tokyo's expansionists certainly would feel a great relief. Their chances of aggressive action against the British, Netherlands and/or American possessions in South East Asia would be greatly improved. But before early next fall there is no knowing for certain what the Japanese and Korean rice crops will be like. And it would seem reasonable to expect the Japanese military to wait with further aggression likely to lead to general Pacific war until Tokyo will have a pretty good idea of what this year's rice crops in the Japanese sphere of power will be.

Living Age, U. S.

European War Extended to Crete; Action Continues In Iraq; British Make Ethiopian Gains

Primary new development of the European War this week was the active extension of the sanguine conflict to the British-occupied island of Crete.

Murderous guerilla fighting broke out on that island on May 20 following one of the war's most spectacular invasions. More than 1,500 German "suicide" parachutists, supported by silent-flying glider troops, descended on the island, barring the route to Syria in an air attack reminiscent of last spring's Rotterdam invasion. The aim of the troops was to land at strategic points, disrupt defending forces and hold their positions until further aerial reinforcements can arrive.

According to a May 21 announcement by Winston Churchill, British Prime Minister, the Germans are successfully holding out south of Canae on the Maleme road. The fact that the invaders are wearing New Zealand troop uniforms complicates the situation.

Serves Triple Purpose

The United Press said observers believe the Crete attack may serve the triple purpose of firstly, eliminating the British stronghold which bars the way to Syria; secondly, as a feint to preoccupy British forces while the Nazis prepare a major coup elsewhere; and thirdly, as a dress rehearsal for the eventual invasion of British.

The importance of Crete in the Near Eastern and North African fighting lies in its use as a naval and air base. It is 200 miles from Derna, Libya, and less than 250 miles from the besieged British fortress at Tobruk. It is 450 miles from Alexandria, 500 miles from Port Said, and 350 miles from the Dardanelles. All are within easy bombing distance.

Crete, therefore, is a menace which Herr Hitler must remove from his path not only to prevent the British from using it as a base from which to harry German and Italian supply lines but also to use himself as a closer approach to North Africa.

War in Iraq

While the conflagation blazed up in Crete, the war fires in Iraq burned higher and higher. Nazi warplanes have reached that Arab state via French-controlled Syria and are systematically bombarding the British air base at Habbaniyah. Italian air units are also reported to be engaged in minor action against the British Near Eastern forces. Meanwhile, Royal Air Force units are continuing their destruction of German air bases and planes in Syria, and British consuls are evacuating the French colony for fear that land warfare will spread there.

The land phase of the Iraqi war sees British Empire troops approaching Baghdad and gaining control of stretches of the Euphrates River.

The situation in Africa generally favored the English this week. The leading Italian general, the Duke of Aosta, surrendered at Amba Alagi after withstanding British attacks for several days. More than 7,000 troops capitulated with the Duke and their surrender virtually closes the Ethiopian campaign. The northern and southern sections of the Negus' empire are now under control of South African and Indian troops. Furthermore, the forces used in freeing Ehtiopia from the Italians can be transferred to North Africa or the Near East for fighting there.

Franco-German Pact

Events of a startling nature have occurred in France during the week. A Franco-German collaboration agreement has been signed by which France will cooperate with Germany in return for Italian and Nazi concessions.

It was understood that Vichy had agreed to place at the disposal of the Axis powers any base, as well as arms or troops, they may need in French colonies for the purpose of fighting England. Italy has agreed to forego claims on Corsica and will expand in Yugoslavia and Greece. Germany has conceded the release of French prisoners of war and will reduce her demands for war reparations.

This agreement may even open the way for French military action against the Allies. Vichy has stated that France is ready to regain colonies lost to General De Gaulle. Furthermore, French Air Minister General Bergeret flew to Beirut to organize Syria's aerial defense against British air attacks.

The possibility that the French fleet may aid Germany is seen in the revelation that the aircraft carrier "Bearn" and the cruiser "Emil Berlin" are preparing to leave Martinique.

U.S. Guards French Ships

American reaction to all this was the stationing of Army guards aboard all French ships in American harbors, including the Normandie. The Franco-German collaboration also elicited the statement that the United States may have to take over Vichy possession in the Western Hemisphere and Dakar to safeguard Latin and North America. Important governmental chiefs, including President Roosevelt, Secretary of State Hull and Secretary of Navy Knox, all made public statements signifying their disapproval of the French action.

Meanwhile, American aid to Britain continued unabated. About 10 American ships were reported to have reached Suez with war supplies and 100 planes were expected to reach there from the United States in the near future. Furthermore, an **Associated Press** report says that the United States War Department and the British Embassy are discussing plans whereby 3,000 English aviators annually will be trained in America.

Soviet Russia still remains the question mark in the European war. Russia is said to be sending volunteer troops to aid Iraq against England. Whether this action is directed against Britain or against too strong a German domination of Iraq is not yet known. Reports reveal that Red Army leaders have been transferred from the Far East to the western border. If action is not contemplated against Germany, then Russia will probably come to a territorial understanding with Hitler to the earlier Baltic agreement.

Friendship and Fear

London Daily Sketch.

"Another Jew Trick"

"You say America is turning over to England twenty torpedo boats—Get out an article proving U. S. Navy Secretary Knox is a Jew."—By the British Noon Bulletin's Special Cartoonist.

U.S. Crews Ask Pay for Hazards

The cruise of two ships operated by the American Export Lines was delayed when the crews of the Exmouth and the Exhibitor refused to sign on for a voyage from New York to India unless they were given a Bonus of US$60 per month for all voyages to the Red Sea or the Persian Gulf, plus US$50 for each port touched. The Exmouth recently has been transporting relief supplies from New York to unoccupied France by way of the Mediterranean. According to the New York **Journal of Commerce,** West Coast steamship companies May 17 signed agreements to pay US$45 a month war risk bonus compensation on voyages across the Pacific to Far Eastern and Australian areas and US$60 for trips to Africa, the Red Sea, or Persian Gulf.

Chinese and Japanese Forces Clash Over Wide Area; Scale of Operations Said Greatest Since 1938

The China war fronts last week were scenes of furious and spectacular conflagrations as Chinese and Japanese forces were locked in grim battles in southern Shansi, northern Hupeh, eastern Chekiang and southern Kwangtung according to reports received from both sources. The present scale of military maneuvers, according to certain neutral observers, was the largest since the Japanese major drive against Hankow in the fall of 1938. The Japanese naval aircraft, meanwhile, cooperated closely with the land forces.

Latest Japanese reports carried by **Domei** claimed that the Japanese campaign in northern Honan and southern Shansi provinces on May 15 was reaching its final phase with 120,000 Chinese troops hemmed within a Japanese cordon of steel and fire. Other **Domei** reports further claimed that the Chinese forces holding out in the southern Shansi areas were either "wiped out" or "in ragged retreat" before "smashing Japanese drives."

A **Reuter** report from Japanese-controlled Peiping dated May 19, however, said that the Japanese operation in southern Shansi is not a walkover, as claimed by the Japanese, who are, in fact, meeting strong Chinese resistance.

Heavy Fighting Continues

Heavy fighting last week continued around the Yuanchu and Yangcheng sectors in southern Shansi. Heavily reinforced, the Japanese launched a violent attack against the town of Tungfeng, west of Yangcheng, and claimed to have captured the town on May 13, according to a Japanese report. An early **Reuter** report from Chungking, quoting the Chinese military spokesman, said that Chinese forces holding out in the Chungtiao mountains were split by the Japanese column which pushed from north to south to reach Yuanchu. Yet, despite furious Japanese assaults, Chinese troops are still holding out stubbornly in the eastern section. Japanese forces were reported to be making efforts to subdue Chinese forces in the mountains, while simultaneously severing communications between Chinese bases on the south shore of the river and the Chungtiao Mountains through occupation of the various crossings.

According to **Kuomin**, the Chinese are continuously rushing reinforceforcements from Tungkwan, eastern Shensi, and Loyang, northern Honan, to participate in the counter-attack on the Japanese. The Japanese officially admitted using "considerable" forces, which were reliably estimated at about 120,000, or eight divisions, of which two were reported to be from Southern Manchuria, a **Reuter** report from Peiping said. This indirectly substantiated a previous Chungking report carried by **United Press** saying that four Japanese divisions already had been transferred to China proper from Manchuria as a result of the Russo-Japanese neutrality pact.

The same **Reuter** dispatch said that, hitherto, the Japanese have been proclaiming that their objective is limited to driving Chungking troops from North China, but if the operation is successful they will cross the Yellow River and reopen the whole Peiping-Hankow line to Hankow. In this connection, the same report called to attention the other Japanese forces which are pushing northwards from Hupeh to Honan.

End Hupeh Campaign

Domei reported that the Japanese forces in Hupeh had ended an eight-day campaign on May 25 after the capture of Tsaoyang, strategic outpost guarding the gateways to southern Honan and northwestern Hupeh provinces. On the afternoon of May 17, the Japanese forces were reported to have commenced the second phase of the Hupeh campaign.

Chinese field dispatches, however, claimed that Chinese forces swept back into Tsaoyang in the early morning of May 17 and inflicted more than 2,700 casualties on the Japanese. Meanwhile, an early **United Press** report from Chungking, quoting an official communique further said that Chinese front line forces on May 16 were in control of all Hupeh fighting sectors, following the successful smashing of all Japanese drives in the Yingshen, Suihsien, Chunghsiang, Yangtzeche, Kingshen, Kingmen and other sectors. Japanese casualties in their fortnight Hupeh drive were estimated to be more than 10.000.

Views regarding the present Shansi and Hupeh military engagements were last week expressed by both the Chinese and Japanese quarters. The Japanese as usual strived to paint for the world a despondent picture of China's fighting morale. A typical Japanese proclamation was the one made by Colonel Harushige Iwasaki, Chief of the Press section of the Janese Expeditionary forces to China, on May 16. The Japanese Colonel said that internally and externally, Chungking's position is critical, and the Chiang regime's strength to resist and will be resist has sunk to a new low. The Chinese, as confident as ever, pointed out that the present Shanghai and Hupeh operations are only local and cannot affect the safety of Chungking or the general war situation in China, or, to say the utmost, these operations merely constitute an attempt to dislodge the Chinese troops in the mountains of Shansi and Hupeh, where they were in position to threaten Japanese lines.

"Play Ball" - at Chungking

Til. Durdin, N. Y. Times at bat, with Johnson, U. S. Ambassador, Pitching! New Life Center, Chungking — Thos. Kwang Photo.

Chekiang a Battlefield

The eastern Chekiang last week remained a terrific battlefield with the Japanese launching new offensive against the alleged 150,000 troops commanded by Gen. Ku Chu-tung in the Tunfyang and Hoku sectors, south of Chuki. Japanese forces claimed that their campaign had been ended on May 17 with a total of 2,500 Chinese casualties. The Japanese detachments are said to be now swung toward an undisclosed direction for another new offensive.

A **Kuomin** report from Chungking, however, said that a successful counter-attack has been launched by the Chinese forces in the area south of Chuki. Japanese troops at Weishan, southeast of Chuki, and Suki, south of Chengkiawu, have been routed. A strong Chinese force is now sweeping across Chengkiawu to Anhwa and Paitow, with its left column advancing northward from Pushihchai to attack the Japanese Wangsha, Kishih and Tsaota. Chinese guerillas operating along the northern bank of the Chientang River, meanwhile, were reported to have recaptured Fuyang and Yuhang, respectively 20 miles southwest and 15 miles west of Hangchow, provincial capital of Chekiang, on May 14.

A Chinese counter-offensive in Fukien last week also registered with a notable recapture of Lienkiang, northeast of Foochow, on May 16. Chinese troops operating on the northern bank of the Min River were first reported to have reoccupied Shangshan and Saishan, northwest of Lienkiang, and then to have advanced on the latter city. Foochow, recently captured by the Japanese by the Japanese, was also reported to be under heavy bombardment by Chinese artillery units.

Warfare in Kiangsi

Kiangsi was once again in the news last week as Japanese troops made another attempt to attack Shihmenkai, from their bases in Pengtseh in north-

ern Kiangsi. According to **Kuomin**, the strong Chinese resistance failed the Japanese attempt. A successful counter-attack by the Chinese forces later forced the Japanese to retreat northwards on May 16.

War in South China last week was mainly confined in the Waichow sector, where the Japanese claimed to have encircled more than 20,000 Chinese troops. Yet, latest **Domei** reports still failed to furnish any notable results, despite persistent Japanese claims that these "trapped troops" were facing imminent annihilation." Chinese reports, on the contrary, claimed that Chinese troops have inflicted heavy losses on a large Japanese column attacking Waichow. The Chinese engaged and routed the Japanese in fierce combat near Namtong, northeast of Waichow, according to **Kuomin**.

On the morning of May 16, Chungking experienced its fourth Japanese air raid of the month. It was considered by competent observers to be the heaviest raid thus far this year. A total of 54 Japanese planes participated in the campaign. More than 200 heavy demolition and incendiary bombs were rained on two widespread areas of the city. Several fires were caused but were rapidly brought under control. An American ice factory was demolished. The compound of the foreign press hostel, which houses most of the foreign news agencies, was also reported damaged.

Loyang Bombed

The historic town of Loyang in western Honan on the Lunghai railway on May 16 also experienced one of its worst air attacks when more than 100 Japanese planes carried out six consecutive raids on the town in a single day. More than 500 bombs were dropped, many of the incendiary type, and several fires broke out. Casualties, however, were slight. The air raid alarm lasted for twelve hours, from 5 a.m. to 5 p.m., according to **Havas**.

Japanese air raids of the week as reported by **Domei**, with an exception of a **Kuomin** report dated May 12, regarding the Japanese raid over Kunming, are listed below:

May 9—A large formation of Japanese Army aircraft raided Sinchang Chinese Army garrison headquarters, 60 kilometers southeast of Chuki in eastern Chekiang.

May 12—A squadron of Japanese airplanes raided Kunming and bombed the business section of the city.

May 13—Japanese army bombers raided Chinese troops near Kiku, 40 kilometers south of Yangchen in southern Shansi, and also the mountainous region near Howkiachung, northeast of Taiyuan. Japanese naval aircraft operating along the Yangtze River bombed the Shihmen and Pengtseh sectors, both northeast of Lake Poyang on the Anhwei-Kiangsi border.

May 14—Four Japanese Army air units carried out a severe bombing raid on Tsinshuin, southern Shansi.

May 16—Japanese army warplanes carried out severe bombing raids on Chuhsien, strategic Chinese base on the Chekiang-Kiangsi Railway, and on Lanchi, on the upper reaches of the Chientang River in Chekiang.

May 17—Three flights of Japanese naval planes severely bombed Shaoying and Lenshuitan on the Hunan-Kwangsi Railway, destroying of railway stations.

May 18—Formations of Japanese Army aircraft carried out an attack on Sian in Shensi province, causing destruction of military objectives.

May 19—Several formations of Japanese army aircraft carried out a successful raid on Sinchang, 60 kilometers southeast of Chuki in eastern Chekiang.

Jndgment Reserved On Trade Act Case

Judge Milton J. Helmick of the United States Court for China this week reserved judgement in a case brought by the U.S. Government against the Bell Lumber Company for having failed to file appropriate reports required for the China Trade Act.

Mr. Leighton Shields, U.S. District Attorney, stated that he intended to prove that the plaintiff was habitually lax in filing their annual report, saying that this was unfair to the stockholders and he asked the court to cancel the registration certificate of the Bell Lumber Company.

Mr. Paul Kops, counsel for the defense, denied that the affairs of the company were conducted contrary to the provisions of the China Trade Act and stated that the report was completed last week but that Miss A. Viola Smith, the Registrar of the China Trade Act, refused to accept it and that Mr. Shields suggested that he bring it into court.

New Fangled Umbrella

China presents Ambassador Johnson with an embroidered umbrella, symbolic of Honor, Justice, Good Service. In ancient times officials who had served the people well and gained their gratitude and esteem were given an embroidered umbrella. It was at a public function at the New Life Social Center by the Chinese-American Institute of Culture. Dr. H. H. Kung, Minister of Finance, was chairman. Thos. Kwang Photo.

Soviet Consulate Opening in Shanghai

Reports which were published in Shanghai newspapers last week to the effect that the Soviet Consulate-General would shortly be reopened here, were declared to be incorrect, according to reports from Soviet circles. The Soviet authorities recently announced that all Soviet affairs previously handled here by the Norwegian Consulate had been transferred to V. Zaitzeff of the Soviet Embassy in Tokyo. According to Mr. Zaitzeff who was in Shanghai recently, all matters concerning Soviet relations would have to be taken to Tokyo as no consular officer would be stationed in Shanghai under any conditions. The reason for this unusual course, originally taken after the outbreak of the Sino-Japanese hostilities, was supposed to be connected with the Soviet recognition of Japanese military control in Chiang. Sometime ago the Soviet Embassy in Tokyo sent a man to Shanghai who officially closed the Lithuanian, Estonian, and Latvian Consulates. The Norwegian Consulate took charge of Soviet affairs here in November, 1939.

Many Killed As Guerillas Bomb Trains

Many passengers have been killed and injured in three serious train wrecks which occurred on the Shanghai-Nanking and Shanghai-Hangchow lines between May 5 and May 16. The third wreck occurred in the early morning of May 16 near Soochow. Several yards of track were torn up by an explosion, which was thought to be a land mine planted by guerillas. Several cars were overturned. The first serious wreck of this nature occurred May 5, also near Soochow. The second occurred May 13 when a train bound for Shanghai was wrecked near Hangchow. An American missionary who was on the train saw two guerillas, who were hiding behind a grave mound, set off the charge. The Japanese military authorities have announced that they were planning to build an electrified wire fence on both sides of the track near Soochow for the purpose of keeping guerillas away from the tracks. The Japanese Central Railway Company which operates local railroads recently discharged all Chinese track workers and employed Japanese in the hope of preventing further incidents.

Kwangsi Government Honors Priests

The Kwangsi provincial government has conferred medals of honor on seven French Catholic priests, who have been stationed in Nanning, the provincial capital. The medals were granted in recognition of their devoted efforts in behalf of war refugees in southern Kwangsi during the Japanese invasion of that area last year.

La Revue Nationale Chinoise

Unfavorable world conditions, warfare in the Far East, and scarcity of shipping having deprived Shanghai of its importance as the great commercial center of the Yangtze Valley, the city, striving on despite all difficulties, is turning to an ever increasing extent to industry as a way of making a living for its 5,000,000 inhabitants. Indeed, Shanghai has become an important industrial town, thanks to what is popularly known as its "small industries," an interesting phenomenon which is dealt with by J. E. Loret in the May issue of **La Revue Nationale Chinoise**. This is the first of a series of articles on the most important and interesting industries which have recently sprung up in this town.

The present issue features also a study on "Songs and Legends of the Upper Laos" by J. L. Eissautier, and an essay by Ghin-san Long, the well known Chinese photographer, who explains the technique and principles of his composite pictures. The accompanying photographs show clearly the painting-like effect of these enlargements, composed of different parts of various negatives.

There is ample information on varied subjects. A map showing the position of camps for prisoners of war in Germany should prove of special interest,

American Interests Invest in Kansu Oil Project; China Utilizes Gasoline Substitutes

BY C. Y. W. MENG

Since the inauguration of the national economic reconstruction in China shortly after the outbreak of the "War of Resistance" with Japan, it is known that the American industrial interests have invested some capital in the Chinese industrial undertakings. Our study of the useful figures of the government investment in the industrial undertakings —national and provincial—reveals to us that "up to the end of 1940, the National Government had invested a total of $343,000,000 (national currency) in all kinds of industries in interior provinces; and in addition, a sum of U.S.$679,000 had been invested in certain lines of industry both by the National Government and American interests."(1)

But in the early part of the present year, another gratifying report had it that "preparations for the opening of the Chungking Office of the Kansu Oil Mining Administration, capitalized at U.S.$5,000,000, are now completed."(2) There is no doubt that this Kansu oil mining administration is now the largest one in the country.

Although no details have yet been revealed to us, much importance is attached to the undertaking of the Kansu oil project as well as the American investment of U.S.$5,000,000 in one of the most important Chinese economic reconstruction projects. First, it is now generally believed that as a result of these years of intensive efforts, the oil situation in China is no longer so serious as it was before. Secondly, it is now very clear that the "American ban on gasoline to countries outside of the western Hemsphere" was, therefore, never intended to stint the victims of aggression, not to speak of China, to which both the American Government and public have shown deep concern and full sympathy. The American investment in the Kansu oil project is another **prima facie** evidence from the Chinese standpoint of view of the American determination as well as willingness to assist—directly as well as indirectly—the Democratic nations, including, of course, China, by assisting her to produce oil by herself to meet her own wartime needs, so that this victitm of the aggression in the east can carry on her prolonged resistance to the last. Apparently, it is an investment where profit is not the primary motive but where it is fraught with great significance.

Chinese Measures

Before the war, every drop of gasoline and lubricating oil which the Chinese motor cars, trucks and machineries consumed had to be imported. Even such a cosmopolitan and industrial city like Shanghai did not produce a single drop of gasoline or its substitute. China used to import all the gasoline she consumed from British North Borneo, Dutch East Indies, the United States and the Soviet Union. She bought 135,000,000 litres, worth more than $24,760,000 in 1939. For the first half of 1940, she imported altogether 79,200,000 litres of gasoline, worth $15,504,923 in the national currency. China was then solely dependent on foreign gasoline and oil to meet her needs.

But fortunately, as soon as the war broke out, the Chihnese leaders were far-sighted enough to realize the importance of the oil production to China's present as well as future national economy. So ever since they embarked to the gigantic task of the national economic reconstruction, they have been making a fullest effort in the oil production. Under the new economic planning and the policy of self-sufficiency in economic and military supplies, the Chinese have been taken many measures to cope with the oil situation and to prevent it from becoming a menace to the prosecution of the Chinese war of resistance and the national economic reconstruction. We may sum up these measures as follows:—

(1) To intensify her efforts to produce oil by herself by exploiting some of the oil reserves in the country.

(2) To tighten her belt in searching for the gasoline substitutes by experimenting on some of the agricultural products which are found in plenty in the country.

(3) To economize the use of foreign gasoline by tightening up the reulations governing the use of foreign gasoline.

Let us now see how far the Chinese leaders and economists have gone with these measures in the promotion of oil production during these years in the past.

Kansu Oil Deposits

Ever since the outbreak of the war with the invader, the Chinese geologists in the rear have been making desperate efforts to discover oil deposits in Free China. After many months of hard work, they succeeded in utilizing the oil deposits in Kansu Province. These rich oil reserves in Kansu Province were said to have been discovered by Dr. Wong Wen-hao, one of China's foremost geologists, and now the Minister of Economic Affairs.

Just how many million gallons of oil are in western Kansu ready to be tapped, no one knows at present. Engineers who have been working in the region for some months estimate that the deposits are so rich that they can last at least for a century at the rate of 80,000,000 gallons a year.(3)

So far, seven wells, each several hundred meters deep, have been sunk by mechanical drills. Oil is springing up naturally from three of them, while human efforts are required to obtain the precious liquid from the remaining four wells.

A small refinery is already at work turning black raw liquid into different kinds of oil for military and industrial purposes. Through heating and cracking, the oil can be used for aviation purposes.(4) The Government is making a set of cracking machines especially for making aviation oil, while another set of cracking machines has been ordered from abroad.

Under normal conditions, we are told, gold deposits in the western districts of Kansu Province have attracted more attention. With comparatively little human efforts, natives can gather 20,000 ounces of gold a year. At present, however, both the Government and people are devoting their time and energy to the extraction of oi lfrom its subterranean reservoirs. Thus, oil has literally become more precious than the sparkling metal itself! In Szechuen, oil drilling was begun in 1937. A well near Chungking has reached a depth of 1,400 meters. Drilling is still going on.

China's "Artificial Gasoline"

Beside these strenuos efforts to utilize oil reserves, China, like one of the "have not nations," has also tightened her belt in finding the substitutes for gasoline. In Szechuen Province, automobiles using charcoal are manufactured. After a series of experiments, automobiles driven by charcoal were found satisfactory. Realizing the importance of such invention, Generalissimo Chiang Kai-shek was reported to have given autographic instructions to the Joint Administration Office of Four Government Banks to loan $3,000,000 for the

U.S. to the Rescue

Coolies in Soochow are shown hauling richsha loads of America Red Cross flour, recently arrived from the United States for China's needy millions.

(1) Statement made by Dr. Wu Ching-chao, Senior Secretary of the Ministry of Economic Affairs, and published in *News Release*, Chungking, January 27, 1941. p. 5397.

(2) Translated from *Ta Kung Po* (or *L'Impartial*), Chungking, March 26, 1941.

(3) Translated from *Shih Shih Hsin Pao* (or *The China Times*), Chungking, February 16, 1941.

(4) *News Release*, Chungking, August 3, 1940. p. 4525.

expansion of the manufacture of charcoal driven automobiles.(5)

In Kweichow Province, the China Machine Works is rebuilding imported foreign trucks for freight and passenger services, and fitting them with charcoal engines in place of gasoline engines. Since then the works has been experimenting and making charcoal-driven trucks and omnibuses. Many of them, we are told, are now running on the Kunming - Kweiyang - Chungking - Heng-yang-Kweilin Highway.

In addition, Prof. Li Ki-wey, Dean of the National Yunnan University, is reported to have perfected a device to produce fuel. It is made of refuse and by-products. During the experiments, it showed a serviceability higher than other gasoline-substitutes.

This new "artificial gasoline," which takes about one month to produce, has physical and chemical properties similar to the natural fuel. It has a lower ignition point, higher B.T.U. (British Thermal Unit), and is devoid of corrosive elements. It is colorless after bleach and has the same specific gravity as gasoline. The raw materials used are agricultural products which are available in large quantities in Yunnan, Szechuen or any other provinces in Free China. The equipment for manufacture can also be made in China.

Prof. Li is continuing his experiments, seeking to improve the quality of the fuel, shortening the period of manufacture and increasing in the production. He is setting up a distillery to produce more of the artificial gasoline. He is using the distillation to run motor cars and airplanes, according to his plan, we are told.

Chinese Alcohol

Anticipating the shortage of liquid fuel, the National Government has long been encouraging the use of the Chinese alcohol or gasoline-alcohol mixture instead of pure gasoline. Today with the exception of air forces and other military purposes, the nation's trucks, buses and cars are using only frational part of gasoline in their run.

In order to meet the demand for alcohol, a number of government and private alcohol plants now dot the Nation's interior provinces. There are at the present some 16 such plants in the Southwest, and at least four in the Northwest, producing 95-99 per cent alcohol. In addition, we find in every province, the establishment of new alcohol plants always constitutes a principal item in the economic program.

Trial runs made by cars using alcohol indicate that synthetic gasoline performance is satisfactory. The difference of alcohol and pure gasoline is about 20 per cent in performance,(6) but gasoline costs more than double. The Chinese chemists of the National Industrial Research Bureau of the Ministry of Economic Affairs are working labouriously and untiringly in experimenting with the ultimate objects of perfecting a devoice to make the performance of alcohol satisafctory under all weather conditions as well as eliminating its corrosive elements.

The actual serviceability of these charcoal and alcohol driven trucks and omnibuses has proven very satisfactory. They are capable of going more than 60 kilometers per hour, which is the maximum speed allowed by the Northwest Highway Administration on its highways.(7) They can scale without difficulty steep climbs and sharp turns, including the famous 2,000-meter Chin Lin range and the dangerous "Northern Wooden Trail."

With the discover of charcoal and by the use of alcohol, as the substitut s for foreign imported gasoline, the question of the supply of fuel for the automotive vehicles is no longer a serious problem. These sixteen alcohol distilleries in the Southwest and four others in the Northwest, in addition to many others under planning and construction, are pouring out thousands of gallons of alcohol every day to meet the needs during the war time. In addition, another latest report has it that in the places where oil reserves have not yet been discovered and exploited, it is the policy of the Government "to generalize the establishment of the alcohol distilleries, to equip them with simple machines and to produce more oil, so that it may supply the total demand for oil for transportation to the front."(8)

At present, the Chinese made Diesel oil is being more popularly used in Lanchow district, alcohol in the Sian district, and charcoal in the Hanchang district. These substitutes, the supply of which is sufficient, have not only solved the problem of the gasoline shortage but have also reduced the operating cost. Between Hanchang and Chengtu, for instance, the average fuel consumption is one catty of charcoal per kilometer, the cost of which is roughly only 20 cents. In the time when these lines are written, a new process or charcoal combustion has made it possible for heavy-weight buses and trucks to attain a speed of 60 kilometers an hour on level roads. All these accomplishments substantiate a remark that "China is attaining self-sufficiency in gasoline."(9)

Monumental American Contribution

The economic progress of Free China during the war time—its importance as well as significance—can best be illustrated by the oil production, without which it would be indeed difficult, if not altogether impossible, for the prosecution of the Chinese "War of Resistance"; and without which, China could hardly stand long against the enemy's blockade of her coastal communications which were almost completely cut off with the fall of the City of Canton in the early stage of the war (in the winter of 1938). But now with the oil production, China can fight on with renewed strength as long as the enemy is on her soil.

But among so many oil projects, the Kansu Oil Mining Administration is, perhaps, the most important of all; and it is destined to play an important part in the war against Japan. Therefore, what the American have invested in this project is greatly appreciated by the Chinese.

The day of the Chinese "Final victory" over the invader is the day when America will come to share and enjoy the 'huge dividends," which we call Peace, Justice and Freedom, to which the American people have always prized so much. Therefore, the Chinese consider the American investment in the Kansu oil project as distinctly a monumental contribution to the cause of the Chinese resistance and reconstruction!

Chinese Quintuplets!

If Canada can have its famous Quintuplets, why not China? At least this was what an enterprising photographer on Nanking Road, Shanghai, thought when he made this picture of China's "Quints," all five of them in playful mood. The picture is sold by street peddlars at the modest price of 8-cts. a print. The peddlar gave a verbal guarantee of authenticity with each sale. It was reported that an enterprising printer used the picture of the Chinese Quints on a calendar, but this could not be confirmed. The picture apparently was made from a painting in such manner as to resemble a genuine photograph.

American Teacher Takes Own Life

Miss Minnie Vautrin, for many years a member of the faculty of Ginling College for Women, previously located in Nanking, took her life while on furlough in the United States, according to a telegram received by Mr. Edwin Marx, Secretary of the mission of the United Christian Missionary Society, of which Miss Vautrin was a member. The telegram contained no information, other than the fact she was in Indianapolis at the time of her death. Miss Vautrin suffered a nervous breakdown in May, 1940 and went home for medical treatment. She was born at Secor, Illinois and was graduated from the University of Illinois and also studied at Columbia and the University of Chicago. She came to China in 1912 and after studying the language became principal of Coe Memorial Middle School for Girls at Luchowfu, (Hofei), Anhwei province. After five years there she joined the faculty of Ginling and served as dean, teacher of education and recently Vice-President. She remained in Nanking throughout the Japanese seige and occupation in 1937-1938 and assisted in the relief of thousands of Chinese women during the period of anarchy which followed the Japnease occupation. She was widely known in China and internationally for her Christian educational work among Chinese women. On various occasions she participated in international conferences at Geneva, The Hague, and also made investigations of educational methods in Denmark, Finland and other European countries. Her suicide was thought to have been due to despondency regarding conditions now prevailing in China, particularly in the field of education for Chinese young women.

(5) *Hsi Nan Shih Yeh Tung Hsin* (or *The Southwestern Industrial Monthly*), Chungking, Vol. 2. No. 2. p. 24.

(6) *News Release*, Chungking, July 24, 1940. p. 4473.

(7) *The Central Bank of China Bulletin*, Vol. VI. No. 4. p. 529.

(8) *Ta Kung Pao* (or *L'Impartial*), Chungking, March, 1941.

(9) A remark made by one spokesman in the the Ministry of Communications, and published in *News Release*, Chungking, August 9, 1940. p. 4547.

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Writer Finds Shanghai, "Wonderland of Far East," More Fantastic, Paradoxical Than Ever

(The following article, written by Mr. Percival Finch, a Shanghai newspaperman, appeared in the April 20 issue of the New York Times Magazine. Mr. Finch formerly was a sub-editor of the North-China Daily News and at present is correspondent for London and Australian newspapers).

An observer with a nice sense of perception once said: "One hour in Shanghai is better than two weeks with Alice in Wonderland." He was right. Today this greatest city in China, caught in the backwash of world hostilities while still suffering from its own local war, is more fantastic than ever. Always a city of paradoxes, it has been turned now also into a city of bedlam. Enemies, allies, former allies, neutrals, former neutrals, refugees, rebels, interested and noninterested partisans live and work here. There is an appearance of peace, but beneath the surface there is feverish activity and one feels always the tight clutch of Japan.

No city rivals Shanghai in incongruities. Swastika-flagged steamers have been seen in the Whangpoo River alongside the Allied war memorial on the Bund. On one occasion, British, French and American gunboats lying in the river and not for downstream were Italian gunboats opposite the cruiser Idzumo of the Japanese Fleet, which the Chinese repeatedly attempted to sink in the war around Shanghai in 1937. Visible from the waterfront is the Italian liner Conte Verde, interned well downstream, a prisoner since the outbreak of the European war.

The Shanghai picture becomes even stranger on investigation. The offices of the British Ministry of Information are in the same British-owned building as the German Embassy. Across the street are the British Embassy and the offices of the Italian Commercial Attaché. British, French, German, Japanese, American, Russian and Chinese radio stations fill the air with news in fourteen languages and newspapers in nearly as many languages convert the news into print. A propaganda war is waged incessantly and vigorously in this city of a few square miles and more than thirty nationalities. You can take your choice of rival propaganda. There are a British Noon Bulletin and a German Noon Extra in English. Chinese newsboys distribute these with a fine show of impartiality, selling or disposing of them gratis although the British bulletin is free and the German publication has a price printed on it.

Shanghai's international Municipal Council, with a police force largely British-officered, extends protection impartially and maintains a British guard at the German radio station. Shanghai's international system works divergently. When protection was sought by the British bus company during a recent strike the Italian marines, commanding the sector in which the company's premises are situated, responded with a patrol.

Before the recent withdrawal of the British Army garrison, joint British, American and Italian military police maintained order in the notorious night life district where international troops settled their disputes under the inspiration of Hongkew whisky. This whisky, experienced travelers say, makes the bootleg gin of prohibition days seem like the weak tea served at the curate's Wednesday afternoon party. American marines now police Hongkew's Blood Alley, efficiently and diplomatically.

Mussolini, too, has done his bit for Shanghai. He helped save the municipal orchestra, a luxury maintained despite continued depression and a depreciated Chinese dollar. Taxpayers threatened year after year to abolish it but always relented until, finally, the Italian conductor obtained a grant from Rome in exchange for performances of Italian music. The French Government before the present European war also made a contribution.

On the business front, firms with international staffs had to make readjustments after the outbreak of hosti-

lities, but two expert German brewers were retained by the local British brewery and an Italian shipping executive stays with a British shipping company. Nor does the war prevent British and German nurses from working side by side in the largest local hospital, under a British matron.

On the social front, there are the clubs. Visitors to Shanghai always have been impressed by the number and diversity of the national clubs, in which the foreign resident spends much of his time. They help to make life agreeable in a city where service is cheap and luxuries are easily obtained. When the European war started many residents belonged to clubs whose members were largely of a hostile nationality. But since every principal nationality has its own club it was a simple matter to transfer allegiance to the proper one and thus preserve the aloofness which war conditions demand.

Nearly four years of war in China, with cities bombed almost as constantly as the beleaguered towns and cities of Britain, have not worn down Shanghai. Rather, the reverse is true. Thousands of millions of Chinese dollars have poured into Shanghai from all parts of the country, attracted by the city's apparent stability, its commerce, industry and position.

This despite the fact that Shanghai is encircled by Japanese military and Japanese-controlled Chinese administration, despite the fact that all communications and supplies are subject to one central authority. Large areas of the International Settlement are in Japanese control and all means of ingress and egress are under Japanese supervision. Not a single bag of rice, piece of fish or humble cabbage enters the settlement without permission and prices reflect this control. Japanese troops or gendarmes guard every road outside the International Settlement and the French Concession.

In this city of 60,000 Europeans and 4,500,000 Chinese tremendous wealth and cruelest poverty go hand-in-hand. A hundred beggars are picked up dead on the streets, victims of hunger and cold, as the capital issues of three foreign companies totaling $7,500,000 (Chinese) are oversubscribed by $120,000,000. Financial authorities report a total of $1,500,000,000 (Chinese) and $150,000,000 (U. S.) idle capital in Shanghai when the United States and the British Government extended a credit of 50,000,000 American dollars to the Chungking Government.

Out in the "badlands," that indeterminate district where criminal and political gangsters are found along with gambling houses and opium dens, money is spent by the million. Here Chinese politicians live in fortified villas and Chinese gunmen, responsible for the assassinations and kidnappings which make Shanghai's daily crime news, find security.

The "badlands" are another international phenomenon. The Municipal Council bought land for roads outside the treaty-defined settlement limits and claimed police and administrative rights. In recent years, these rights have been contested. Three different authorities shared jurisdiction and on some roads three police forces patrol with conflicting ideas—the Japanese military, the Settlement and the Japanese-dominated Chinese.

If a Chinese committed a crime on one road he could be pursued by Settlement policemen; but once he was off the road down an alley, the chase was ended. Operations of the Japanese gendarmerie were limited in the same way. Chinese gunmen, politically or nationally inspired, have shot Japanese on these roads and fled down an alley. The only recourse of the Japanese was to barricade the district and search for the culprit. This they did with much severity; one small or large area shut off for several days could cause the Chinese inhabitants to go hungry.

A special Western District Police Force, created by the Settlement and the Sino-Japanese authorities, has recently taken over control of the definite objectives of straightening out jurisdictional problems and cleaning up disorder.

Here is gambling on a vast scale. Some of the largest houses, former homes of local millionaires, have been acquired by syndicates and converted into pocketdigging palaces equipped to divest the humble coolie of his cents or the gilded youth of his millions. In some of the ordinary shacks where cents and dollars are the limit, tens of thousands may be lost in every form of gambling. You often see a Chinese woman giving the child on her knee a chip to chew while she adventures through the reds and blacks. A sinister reminder of other branches of the business is the plate of candy on the table to sweeten the taste of the opium smoker, who has left the back room to embrace Dame Fortune after the solace of the pipe.

Monte Carlo is probably the only rival of the largest gambling house in Avenue Haig, next to the German civic center. This house operates throughout the twenty-four hours, possesses its own traffic police and a taxi service next door. An endless stream of men, women and children pours into the many rooms in the compound of two palatial residences.

All of these houses, which enjoy immunity under a protection system, are not so fortunate. One less so was the Honeymoon, opened with dance garden blazing, owners full of confidence. The neon lights suddenly dimmed. The garden vanished in blackness. Japanese gendarmes, with rifles and bayonets, appeared. Honeymoon died a sudden death and, ironically, was converted into the Happy Home Funeral Parlors.

Whatever may be the result of the present international conflict involving the Far East so vitally, this fantastic international city in a Chinese setting, is likely to remain an interesting political, racial and sociological problem. For twenty years it has been a refuge of homeless and nationless people. After the collapse of the Czarist regime, thousands of White Russians came in from Vladivostok and Siberia. In more recent years, the influx of thousands of thousands of refugees has changed the character of Hongkew, where most of them have settled; the kimono in one street vies with the atmosphere of German beer gardens and Viennese cafes in another.

Latterly, the Japanese population has numerically exceeded all other national groups and fantastic Shanghai continues to become more fantastic.

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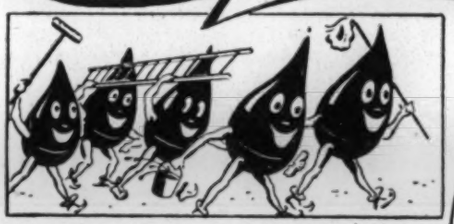

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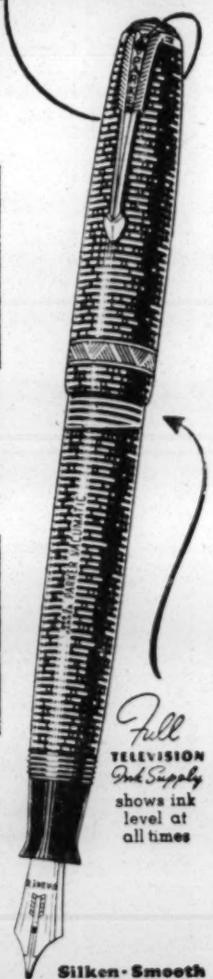

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U.S. Economic Pressure Against Axis Intensified With Passage of Export Bill

New United States economic pressure against Japan, Soviet Russia and other Axis partners, especially in the field of vegetable fats, oils and hemp was made possible this week, according to **United Press** reports, when Congress enacted the Philippines export control bill. The bill is applicable to all United States territories and possessions.

Philippine coconut oil and copra are the best-known sources of lauric acid and fats easily convertible into glycerine, gun-powder, plastics and many other war essentials. Hemp is a Philippine monopoly and there is no substitute raw material for rope, which is vital to operations of ships and many industrial processes.

Plugs Loophole

Passage of the bill presages an end to the biggest loop-hole in the United States export licensing system. Although the United States has embargoed coconut oil and copra, Philippine exports of such products have continued on an ever-increasing scale the past six months to Japan, Shanghai and Vladivostok. Most of these shipments were finding their way to Moscow where they could could be trans-shipped to Germany.

This latest action assures America that more than one-third of the nation's $4,000,000,000 export trade is now subject to control restrictions in the interest of national defense. Altogether there are approximately 2,500 articles on the control list and the list is steadily lengthening.

An analysis of Soviet Russia's purchases in America in 1940 reveal that goods valued at approximately $50,000,000, out of the $86,943,000 imported from the United States, now require export licenses or have been embargoed. Leather, machinery, machine tools, copper, tin oil, and other materials are included in the export ban.

Japan's purchases of iron, steel scrap, and other products for the Sino-Japanese war and the threatened expansion southward likewise have decreased sharply because of export restriction. Japan, which formerly bought almost one-half of all American scrap metal exports, has purchased none since November.

British, Latins Get Licenses

British and Latin American purchases of many of the articles requiring licenses have increased rather than decreased, since licences are readily issued for shipments to those countries on the ground that British and hemisphere defense are considered beneficial to United States defence.

Further limitation of materials reaching Axis powers was recently made when the licensing system was extended to include products destined for foreign nations but unloaded in American ports for re-shipment. This regulation prevents many South American products from reaching the Far East and Germany since they must be shipped in scarce "through" bottoms to avoid seizure in the United States.

Included in latest embargoes are United States models and designs; lubricating oils, either mineral, vegetable or animal in origin; and aviation gasoline.

The United States is further attempting to increase the effects of the British blockade by trying to restrain Latin American nations from sending exports to Japan. One method by which this is achieved is the outbidding of Japanese firms by American organizations. An example of this is the Chilean ban on the export of her copper to countries outside the American continent. As a result of an arrangement between Chile and the United States, deliveries of Chilean copper to Japan have been suspended and the contracts cancelled. The copper contracted by Japanese firms is being exported to America instead.

Japanese Press Chief Denies U.S. Mediation Reports; Honda to Tokyo

Colonel Harushige Iwasaki, chief of the Press Bureau of the Japanese Expeditionary Forces in China, told Shanghai newspapermen this week that reports of United States mediation in the Sino-Japanese War were "foolish propaganda at a time when the Japanese Army is carrying out a vigorous campaign on all fronts to affect the decisive destruction of the Chiang Kai-shek regime." Meanwhile, Dr. Kumataro Honda, Japanese Ambassador to Nanking, was visiting high Governmental officials in Tokyo, urging that Japan strengthen its support of the Wang Ching-wei regime and give no thought to a negotiated peace with Chungking.

Colonel Iwasaki declared that the mediation reports were aimed at the "disunion and separation" of the Axis powers. "This kind of demagogism," stated "can have no effect on 1,000,000 Japanese soldiers in China who are as hard as iron and whose feelings are on fire for the destruction of Chungking which may be expected at any moment."

He said that the original report of U. S. peace mediation was despatched from Japan by the Tokyo correspondent of the New York Herald-Tribune, and later given further circulation in New York and Moscow by the **United Press** and **Tass** news agencies.

Colonel Iwasaki declared that he was greatly surprised when the reports were published "sensationally" in Shanghai newspapers. "These reports," he went on, "that Japan was seeking a peace with Chungking by concluding a U.S.-Japan agreement, were foolish, and we never dreamed of it."

He went on to say that the news was very surprising, and described it as "plotting propaganda" and aimed at the Axis powers, "or to stop the growth and development of the Wang Ching-wei government and confuse the very definite Nanking-Tokyo policy for the purpose of solving the China Incident."

The Japanese Army, he declared, is performing a very active campaign on every front in China at the present time, expecting to effect the decisive destruction of the Chiang Kai-shek regime.

The destruction of Chungking, the official stated, is expected at any moment, "and in view of the complex and delicate, international situation however vicious and skillful this sorrt of propaganda may be, the Japanese Army will never change the definite policy for the solution of the China Incident, and will go on and do its best to put to an end the Incident, as we have always been doing."

Dr. Honda, according to **Domei** reports, apparently has convinced Japanese leaders, including Matsuoka, Konoye and the War and Navy Ministers, that Japan's destiny in China will be furthered support of the Nanking regime. Koh Ishii, Information Board spokesman, told newsmen Matsuoka had endorsed Honda's policy to back the Nanking regime vigorously. He added that, following Honda's suggestion, negotiations for recognition of Nanking were being carried on with Italy and Germany.

Domei described the discussions between Matsuoka and Honda as "extremely frank and cordial."

Dr. Honda made an outspoken statement regarding his view of Japan's duty in China at an interview last week in Kyoto. This statement brought an attack from the right-wing Tokyo **Kokumin**, which said his tone "in attacking the Japanese Government's, as well as its people's, methods in dealing with the Nanking Government and conflict in China was extraordinarily vehement for a person in his position." However, the three other major Tokyo newspapers supported Honda's assertions.

Principal remarks from the Honda interview follow:

"It is the unshakeable policy of Japan to give growth and consolidation to the National Government of China, but in certain cases it is very difficult to harmonize the Japanese military strategy with the policy of bringing up the National Government... It is therefore necessary to relax....controls in order not to interfere with the policy of cooperation with the National Government in solving the question of the living conditions of the Chinese people ....This conclusion has been arrived at after exchanges of views between General Shunroku Hata. Commander-in-Chief of the Japanese Army in China, Admiral Shigetaro Shimada, Commander-in-Chief of the Japanese Fleet in China waters, and the Ambassador to China.

"It is also necessary to work out measures to bring about economic cooperation between Japan and the National Government as a means of strengthening the latter's power. Monopolization of profits by a certain portion of the Japanese people under the name of Sino-Japanese joint capital should be shunned. National policy companies have been established in accordance with the governing law, and I wish to refrain from commenting on them, but at least the minds of the people who are running them should be changed. One should fully realize that any small action on the part of Japanese officers, and people have effects on the Chinese people that cannot be ignored.....

"I am of the opinion that even if there should be a split between the Kuomintang and the Chinese Communist Party, General Chiang will not give up the anti-Japanese campaign, especially since the United States is going all out in urging General Chiang to continue his resistance campaign.

"The conclusion of the Neutrality Pact with Soviet Russia has dealt a political blow to the Chiang regime, but one should not bask in the optimistic hope that this will make the Sino-Japanese conflict favourable to Japan. The United States has decided to build an airplane assembly plant in Burma for the purpose of supplying airplanes to the Chungking regime. For this reason, it is quite possible the Chiang at heart is belittling the aid of the Soviet Union. While apparently averting a clash with the Soviet Union, I presume that Chiang gradually will oppress the Chinese Communists Party.

"On the other hand, it is the clear truth that the fighting spirit of the Chungking forces has greatly declined. It is also true that its equipment has greatly deteriorated.

"....The key to a general peace is the consolidation of the National Government by Japanese help. There is no need to make undue haste in bringing about a general peace. First of all, set an example of Sino-Japanese cooperation backed by sincerity and faith and extend it gradually to all of China. I, for one am of the opionion that the survival of the National Government or a general peace hinges upon the question of strengthening the National Government with the aid of Japan."

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Free China Salt Production Increases 56 Per Cent Since Outbreak of War With Japan

BY A SPECIAL CORRESPONDENT

Chungking (By Mail): For the current year the Salt Administration of the Ministry of Finance has ordered the seven salt producing areas in Free China to produce 28,690,000 piculs of salt in order to build up an adequate supply to meet household and industrial demands.

The 1941 estimate is nearly 4,000,000 piculs or 16 per cent more than the production in Free China last year, which amounted to 24,735,451 piculs. It represents a 56 per cent increase over the prewar average production of 18,355,149 in the same seven areas.

This year Szechwan, Free China's salt producer which includes the famous Tzeliutsing salt wells, is expected to produce as much as 11,000,000 piculs. Last year the yield from Szechwan was close to 10,000,000 piculs (9,694,383). Szechwan's pre-war average is 7,262,795 piculs annually. The administration, however, has appropriated a total of 21,798,000 piculs from the Free China production to meet this demand, providing that the surplus is to be held for industrial use and for reserve.

For the guerilla districts salt comes from those local fields in Kiangsu, Shantung, Hopei and Shansi which are still under Chinese control. In addition to the local production, 180,000 piculs are transported annually from Shansi to Honan.

Technique Improved

Increase in salt production came as the result of the sinking of new wells, improvements in production technique, and better control. In Szechwan province, for instance, more new wells have been under construction in the western district. The first group of 30 wells constructed in 1940 at a cost of $2,500,000 are reported to commence production soon. While some old wells in eastern and northern Szechwan are being used again, the National Resources Commission is increasing the local coal output in supplying more fuel for the boiling of salt.

Szechwan and Sikang are divided into three districts, each with its salt administration bureau for more efficient management. The Szechwan-Sikang district, the most important salt producing centers of which are located between Min and the To rivers, controls the wells in western Szechwan and Sikang, the eastern Szechwan district supervises the wells near the Yangtze Gorges, and the northern Szechwan district takes charge of salt production in the northern part of the province. More than 40 Szechwan counties are important salt producers.

To make the salt supply meet the demand in the northwestern provinces, a Northwest Salt Transportation Bureau was established a few months ago with its main office located in eastern Kansu at the "throat" of the salt-producing districts in Ningsia, Chinghai, and Kansu. This new bureau is established to assure a steady supply of salt and at the same time to combat profiteering by individual dealers.

A state monopoly of salt will eventually supersede the present system of private monopy. In the existing system merchants who pay dues to the government hold monopoly rights for the buying, transportation and selling of salt in their respective districts. The government long intended to improve the system and supply cheaper and better salt to the general public. The war provided the chance as such monopoly rights in Kiangsu, Hopei, Shantung and other guerilla districts have since the hostilities been abolished. In Free China the present privileges enjoyed by individuals will be gradually superseded by a state monopoly which in time is to be extended to the entire country.

Supply Said Adequate

The problem of equalizing demand and supply of salt, which is essential to daily life of the people, has occupied the attention of the central authorities. It was brought up and discussed at the People's Political Council this spring At the request of members of the council, Mr. Miao Chiu-chieh, director of the Salt Administration of the Ministry of Finance, rendered a report of the salt situation in which he pointed out that based on the production and consumption figures the salt supply is definitely adequate. The rising salt price, he explained, is largely due to difficulties in transportation and higher production cost. To remedy the situation, he told the council, transportation will be improved. Animals as well as human labor will be employed, and wherever practicable waterways will also be utilized.

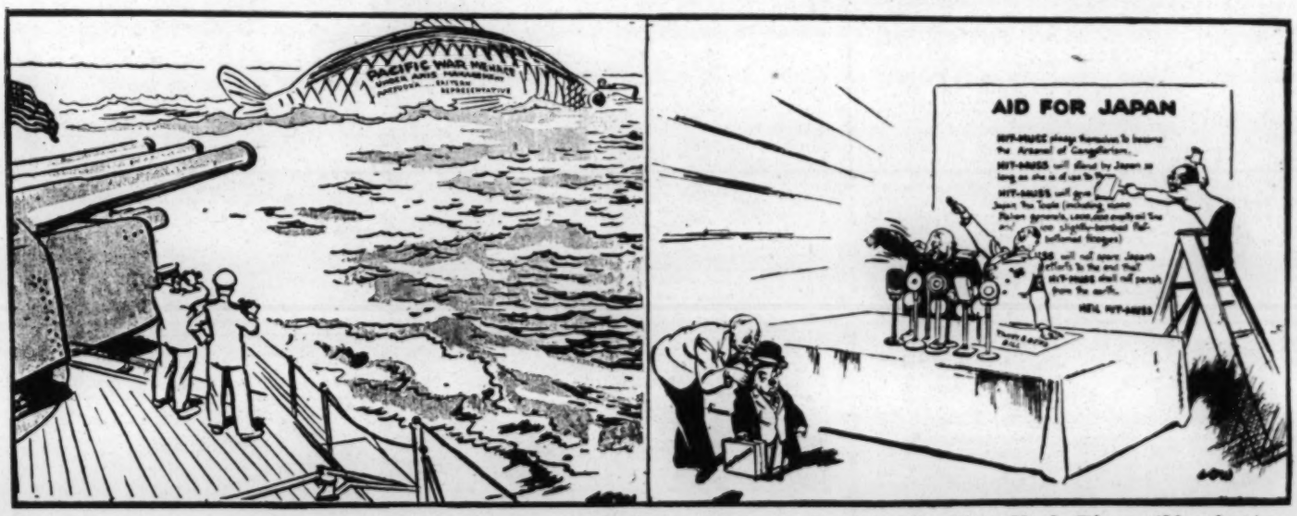
The Ministry of Finance has established a special committee, members of which include Salt Administration officials, merchants and salt experts, to study all questions in preparation for the state monopoly.

The government has at the present time begun to take over from private interests the purchase and transportation of salt in Szechwan. In the entire East Szechwan salt producing area, the authorities but salt from private producers, ship it to the cities and towns, and then distribute it through retailers.

The merchants of the Fuyung salt wells in western Szechwan, which held the monopoly for the Hupeh and Hunan markets, gave up the privilege in favor of the government for the reason that they could no longer make enough profit in the business, as difficulties in trans-

Pacific Sea Serpent

Counterblast to Roosevelt



Two cartoons by the famous English cartoonist, Low, in the New York Times (March 9).

piculs. Of this year's production, 7,400,000 piculs is expected to come from the Szechwan-Sikang wells, 1,150,000 piculs from the East Szechwan wells, and 2,450,000 piculs from the North Szechwan wells.

Quotas Established

Five and a half million piculs of salt will be collected from Kwangtung, with the quote set for the salt fields of the eastern Kwangtung coast at 2,700,000 piculs and the western coast at 2,800,000 piculs. Chekiang salt fields are expected to give 6,000,000 piculs, while the Fukien production is expected to reach 2,940,000 piculs. Salt lakes in the northwestern provinces will produce 2,000,000 piculs, wells in Yunnan 1,050,000 piculs and Shensi 200,000 piculs.

Due to steady efforts of increasing salt supplies, practically all the Free China salt-producing centers have registered increases year by year since the war began.

Salt produced in the seven areas —Szechwan, Kwangtung, Chekiang, Fukien, northwest, Yunnan, Shense—can more than supply the needs of 16 Free China provinces, according to surveys made by the Salt Administration. The total average household consumption of the 16 provinces (Hunan, Kiangsi, Chekiang, southern Anhwei, Kwangtung Fukien, Kwangsi, Szechwan, Hupeh, Kweichow, Shensi, Honan, Kansu, Chinghai, Ningsia and Yunnan) is 18,876,000

portation since the fall of Ichang last summer boosted costs to a record high. Their annual quota of 2,260,800 piculs for Hupeh and Hunan were sold to the government, and a $80,000,000 working fund was supplied by the four government banks to ship the salt to the central Yangtze provinces. The arrangement also served to break the resistance on the part of private monopoly merchants, thus paving the way for the final state monopoly.

Salt Administration authorities believe that war conditions will gradually cause the merchants to surrender without pressure their present privileges to the government.

Nanking, Japanese Supporters Victimized

Chief victims of Shanghai terrorism this week were Nanking and Japanese supporters.

Latest traitor to fall victim to Chungking vengeance in Shanghai was Zau Ka-fu, a member of the Nanking-sponsored Gold Bar Exchange. Mr. Zau was felled by a volley of shots fired by a lone Chinese gunman at the intersection of Kiukiang and Shansi Roads. One bullet lodged in the official's head, causing instant death. The gunman committing the felony was captured by the police while still in possession of the gun used in the assault.

An attack on a Japanese Special Naval Landing Party sentry failed when the sentry fired aimlessly into a mob of pedestrians from which the attack was threatened.

Pedestrians Wounded

According to the report of the frightened Japanese sentry on Stone Bridge, a gunman was seen in the act of leveling a pistol in the direction of the sentry's post. The sailor on guard immediately raised his own gun and fired as the would-be assassin fled. The gunman escaped, but several innocent pedestrians were wounded by the careless Japanese spray of bullets. Chinese press circles have given a different report of the incident, however. They maintain that this wounding of harmless civilians occurred when the sentry fired at a Chinese pedestrian who was frightened into running by the sentry's order to submit to a search.

Additional political assassination of the week brought death to Wang Chungdao, well known local lawyer. Mr. Wang was assaulted by two men dressed in blue short jackets and pants who fired three bullets into the victim's body. One shot penetrated Mr. Wang's left eye, bringing instant death. The crime occurred just as the victim was about to enter his car parked near his home on Seymour Road. The terrorist made a successful get-away after the assassination.

Sequel to last week's shooting fray between Shanghai Municipal Police and bodyguards of Wu Sze-pao, Wang Ching-wei's gangster military police head at 76 Jessfield Road, was the death of two of Mr. Wu's bodyguards. Latest bodyguard to succumb to his wounds was Tsai Kwang-hwa, the chauffeur of Mr. Wu Sze-pao's car, who started the shooting by firing three shots at Probationary Sergeant A. Wickdahl.

S.M.C. Protests

Meanwhile, the Shanghai Municipal Council lodged a strong protest with Mayon Chen Kung-po of the Chinese municipality over the shooting perpepetrated by the Wang Ching-wei gangsters. No answer has as yet been received from the representations.

Death came this past week to Superintendent Yue An-kong of the Shanghai Municipal Police. Mr. Yue was the victim of a gunman's attack staged on Yunnan Road in the vicinity of the Yangtze Hotel on May 13. He lived 36 hours after the attacks but never regained conciousness sufficiently to tell the cause of the shooting.

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Threat of Japanese Economic, Military Aggression Creating United Front in South Seas

The sinister threat of Japanese economic and military aggression in the South Pacific is creating a united front of Pacific nations to combat the notorious Oriental invader. Only Thailand, semi-protectorate of the Rising Sun, is succumbing to Nipponese domination without a struggle.

Latest reports on Siam's entrapment in Japan's "New Order in East Asia" spider web reveal that Japan has requested permission to send a military mission to that tropical nation. With Japan, a request made to a "co-member" of the "East Asia Prosperity Sphere" is an order. Consequently, Thailand will in all probability soon find herself the prostrate victim of Japanese military fifth columnists, just as Indo-China did immediately previous to the farcical Thailand-French Indo-China war.

Establish New Headquarters

Further evidence that Thailand is becoming the dupe of Japanese ambitions is seen in the *Domei* announcement that the Siamese Army has established new field headquarters in southern Thailand. This was reputedly due to British reinforcements in the Malay States, but observers see it as a Nipponese threat against Singapore.

As farcical as the recent "two-bit" war between French and Thailand forces is Siam's plan to award Thai decorations to prominent Japanese politicians. According to a Bangkok announcement, Japanese Premier Prince Fumimaro Konoye will be awarded the Supreme Order of the White Elephant; Foreign Minister Yosuke Matsuoka, War Minister Lieutenant-General Hideki Tojo, Navy Minister Admiral Koshiro Oikawa, General Sugiyama, Chief of the Army General Staff, and Ambassador Hajime Matsumiya will each be given the First Class Order of the White given Elephant.

Just why these politicians merit these decorations was not revealed, but they indicate close cooperation between the two nations.

Success of Nipponese attempts to gain economic domination in Thailand is seen in the decision of the Thai Government to withdraw Siamese funds now deposited in the United States. These funds will be transfered to some other country, presumably Japan. Siam is also drawing closer to Axis nations and is rapidly becoming an Asiatic depot for Axis supplies.

Soviet Ships to Bangkok

Two Soviet freighters have been dispatched to Bangkok to exchange Soviet oil and other goods for tin and rubber produced in Thailand. A new barter agreement involving these products has been reached between the two nations. A major portion of the goods acquired by Russia is destined for Axis-partner Germany.

Attempts to restrict the exportation of goods to Axis nations are being made by British authorities in India and the Malay States, however. It was understood that Singapore officials, in this connection, have seized a large shipment of hemp consigned to the Thai Rice Company. This will restrict the making of rice sacks and the export of rice to Japan.

The forerunner of planned Japanese aggression southward was seen in extended commercial aviation activity in the South Seas region. A four-motored flying-boat of the Japan Airways this week started an experimental flight over the projected new air-route from Palau, Japanese mandated island, to Timor, strategic Portuguese possession near the Dutch East Indies.

N.E.I. Resisting Threats

Contrary to Nipponese hopes, however, equatorial South Seas nations are not planning to submit to aggression without a fight. Even the orphaned Dutch East Indies is displaying its fangs in face of Japanese threats. War activities in those islands include the establishment of camps for giving military training to schoolboys during summer vacation, the formation of a free flying club in order to train reserve pilots for the colony's air force, the recruiting of additional men for army and navy service, the camouflaging of important military and office buildings for protection against possible Japanese air raids, and the levying of a special tax of one day's earnings monthly to build up the war fund.

Furthermore, new restrictive regulations have been placed on Japanese activities in the Netherlands East Indies to frustrate Nipponese fifth columnists. All foreigners desiring to enter Minnhasa Province in the Celebes will henceforth require permits to be issued by commander of the Menado army. Moreover, the only port in which members of Japanese ships' crews are allowed to land is Menado.

It was further revealed that in order to enter the country Japanese have to put up a guarantee of 150 guilders, or Yen 240. This considerably delays the Japanese from travelling as a Nippon Government permit is necessary to take more than Yen 200 out of Japan.

Reinforcements at Singapore

In Singapore, also, preparations are being carried forward to thwart Japanese aggression. Several thousands of additional reinforcements comprising artillery, naval, and air units, were landed at Singapore this week. Simultaneously a large quantity of American arms shipped under the Lease-Lend program, arrived from the United States.

Significant of Allied cooperation with China in puncturing Nipponese imperialism was the arrangements made in Singapore whereby General Shang Chen, Vice-Commander of Chungking's Ninth War Zone in Central China, witnessed the landing. Japanese press reports are using this in an attempt to stir up sentiment for a "Southward" war.

American contribution to the calling of Japan's bluff in the Orient included a warning to Indo-China and the increase a military forces in the Philippines and Hawaii. Indo-China was threatened with retaliatory measures in case of closer relations with

U. S. Army Transport on the Pacific

Newsweek Photo.

The former luxury-liner Washington has been purchased by the U. S. Army and converted into a troopship operating between bases where American troops are stationed in Alaska, Hawaii, The Philippines, Panama, and the new Atlantic bases. The Washington is 13,249 tons net and ordinarily carries 3,000 soldiers.

Asia powers. This would presumably include relations with Japan.

In the matter of force, the only law which Japan now understands, the United States has sent an additional detachment of troops to Manila on the army transport *Washington*. Included in the new detachment are many aviators scheduled for duty in the Philippines.

Furthermore, 21 flying fortress bombers have just been dispatched to Hawaii in a mass formation flight. The War Department has announced that more airplanes will be sent to Hawaii in the near future.

These air reinforcements in the Pacific are seen as an answer to Japanese imperialistic ambitions in the South Seas region.

U.S. Dispatching Experts to China

The United States, it became apparent this week, will aid China not only by granting material assistance, but also by dispatching a number of military and possibly technical experts to the interior.

Brigadier-General Henry Claggett, Commander-in-Chief of the United States Air Force in the Philippines, arrived in Chungking late last week, on the heels of Colonel Ross E. Rowell of the United States Marines, who arrived there May 4.

The Chinese Government, meanwhile, were reported to be preparing hostels in all communications centres in order to lodge the experts.

Chungking authoritative quarters last week claimed that a considerable quantity of war materials has been sent to China from both the United States and Great Britain. Part of the war materials from the two countries, it was said, has alreday arrived.

Johnson Leaves Capital

Nelson T. Johnson, retiring American Ambassador to China, left the wartime capital for Hongkong by plane on May 14, bringing to a conclusion 33 and one-half years of service in China. On the day before his departure, Mr. Johnson called on Generalissimo Chiang Kai-shek and other Chinese government officials to bid them farewell. He will become Minister to Australia.

Mr Johnson was given a cordial sendoff at the airdrome. Many officials were present, including General Ho Yao-tsu, personal representative of Generalissimo Chiang Kai-shek, Chiang Kia-ngau, Minister of Communications; and Tuan Maollan, representative of Dr. Wang Chung-hui, Minister of Foreign Affairs.

Several foreign diplomats were also present, including Sir Archibald Clark Kerr, the British Ambassador, and Baron Jules Guillaume, the Belgian Ambassador.

Mr. Johnson was greeted in Hongkong by Clarence E. Gauss, new United States Ambassador to China,, who arrived there on May 17 from Shanghai. Mr. Gauss was met there by representatives of the Chinese and Hongkong Governments.

Dr. Wai Tao-ming, secretary-general of the Executive Yuan, who has been appointed Ambassador to France, was reported by **Kuomin** to have also left Chungking on May 14 for Hongkong by plane to attend to personal affairs. He will return to Chungking in a fortnight.

After receiving personal instructions from Dr. Quo Tai-chi, the new Minister of Foreign Affairs, it was further reported, Dr. Wai will proceed to France immediately via Moscow to take up his new post. Dr. Quo was expected to arrive in Chungking early next month to take up his new duties.

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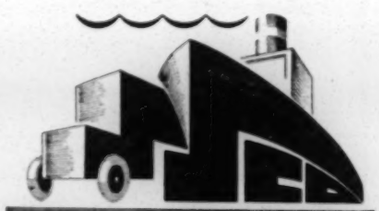

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

May 4

Sir Frederick Stewart, Minister for External Affairs of Australia, declared that Australia had been considering the appointment of a Minister to China at an early date.

According to the **Central News Agency**, Chinese forces pursuing their advance southwestward after having recaptured Wenchow, in Chekiang had reached the suburbs of Juian. They were now engaged in violent attack against the Town, the agency added.

The Japanese claimed to have launched an offensive in the region of Hsuangchen, 65 kilometers southeast of Wuhu, in Anhwei province, and Naling, 40 kilometers south of Wuhu.

Domei reported the Japanese withdrawal from Kiatze area in southeastern Kwangtung province.

In an article in the **Sao Tang Pao**, Dr. Sun Fo, President of the Legislative Yuan, refuted Japanese allegations that China is not a Democracy and predicted a decisive victory for China, Britain and the United States against Japan, Germany, and Italy in the present war.

The Japanese-controlled Nanking regime appointed "General" Siao Shunsuan as the Governor of Fukien province.

The 22nd anniversary of the May (Student) Movement was commemorated in Chungking.

***

May 5

Chinese troops claimed the recapture of Hantingchen and Futingshan in a strong counter-attack on Japanese forces operating in the Wanchih sector, between Wuhu and Suancheng in southeastern Anhwei, **Kuomin** reported.

The 20th anniversary of the establishment of the Revolutionary Government in Canton was observed in Chungking at a meeting at Central Party Headquarters.

***

May 6

The Japanese simultaneously launched two new offensives, one in southern Shansi and the other in Central Hupeh. Severe fighting was now raging along the Chungtiao Mountains and the north bank of the Yellow River in southern Shansi and along the Tapieh Mountains in Hupeh.

The Chinese troops reoccupied Siangshan after a successful counter-attack, **Kuomin** said. Chinese counter-attacking forces along the Chuki sector, meanwhile, were reported to have pierced the Japanese defence lines at Waicheng and Kaiting and advanced as far as the outskirts of Chuki.

Twenty-eight Japanese planes raided Sian, Sienyuang and Lintung, in central Shensi and also Tali, Chaoyi and Chencheng in eastern Shensi. Chengchow, at the intersection of the Peking-Hankow and Lunghai Railways, was also bombed.

Two American Army air experts, Brigadier-General Ross Rowell and Captain Edward Dyer, left from Hongkong for Chungking by plane on a special mission, according to **United Press.**

Dr. Wellington V. K.. Koo, Chinese Ambassador to France, was formally appointed Chinese Ambassador to London, while, Dr. Wei Tao-ming, Secretary-General of the Executive Yuan, will replace Dr. Koo at Vichy the **United Press** reported from Chungking.

***

May 7

Chungking officials estimated that the Japanese forces maneuvering in southern Shansi totalled at least three divisions. The Japanese, it was said, might attempt to cross the Yellow River either from Menghsien, famous ford about 20 miles northeast of Loyang, or from Szeshui, 30 miles west of Chengchow. The Shansi battle was stated to be important because the security of Chinese positions in North China depends much on the ability of the troops to hold out in the Chungtiao Mountains.

Chinese troops claimed to be besieging Chungki in eastern Chekiang. All the strategic points around the city had been reoccupied.

Japanese planes bombed Mengtze in Yunnan, Shiuhing, northwest of Canton in Kwangtung, and Yingtan in Kiangsi.

Henry Luce, owner and editor of **Time, Life** and **Fortune** magazines, arrived in Chungking from Hongkong, accompanied by his wife, Claire Booth, the well-known playwright.

Reuter reported from Bangkok that the Thai Government had circularized the authorities in the frontier districts to prevent the entry of Chinese residents from other districts on the ground that some of them are not law-abiding.

Prior to his departure for Tokyo, Mr. K. Honda, Japanese Ambassador to the Nanking regime issued a statement categorically denying that Tokyo is planning to enter into direct peace negotiations with the Chinese Government in Chungking.

***

May 8

Fierce fighting continued for Yuanchu on the northern bank of the Yellow River in southern Shansi and Tsiyuan in northern Honan, according to **Kuomin.** The two cities were occupied by the Japanese after heavy artillery bombardment, supported by airplanes. The Chinese had taken up new positions in the outskirts of the two cities and vigorously opposing the further advance of the Japanese.

The Japanese claimed to have intensified their drive against 200,000 troops under General Li Tsung-jen. The Japanese drive commenced from several points in the neighborhood of Kingmen, Anlu and Tangyang in central Hupeh. The Japanese operating north of Ichang claimed to have captured Chienkiashan, according to **Domei.**

Domei said that the Japanese aircraft were active over Kunming in Yunnan and also points along the Chungtiao Mountains in southern Shansi.

***

May 9

Believed to have operated from bases in Hankow, 63 Japanese planes bombed Chungking at 1 p.m., killing some 50 persons, wounding 200 and slightly damaging the British Ambassador's house. Several American missionary schools, including the campus of the American Methodist Chiu Ching Middle School, the Episcopal Boone Library School and the

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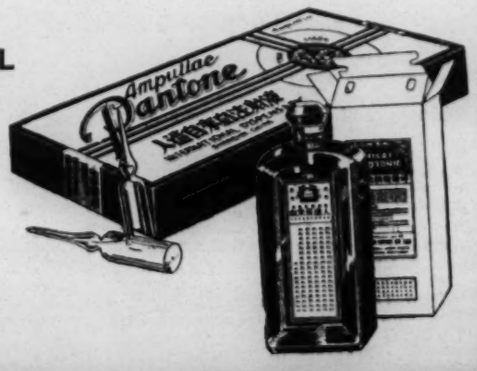

Grace Community Church, were also slightly damaged.

Domei reported that the Japanese forces started attacking Chinese defenses along a line connecting Suancheng and Nanling in Anhwei province.

Chinese troops were reported to have launched a counter-attack on Yuyao and Fenghwa in eastern Chekiang. The Japanese were falling back on Ningpo. Japanese forces defending Chuki also claimed to have counter-attacked Chinese forces which attempted to capture the city.

The semi-official **Japan Times & Advertiser** in an editorial said that Japan cannot conquer China by force and advocated a policy of reducing the scale of hostilities and promoting peace, **United Press** reported from Tokyo. The paper is widely regarded as an organ of the Japanese Foreign Office. Discussing Japan's China Policy, the newspaper abandoned hope of overcoming China by force. The scale of hostilities should be reduced, the paper said, in order to promote peaceful conditions and improve trade.

Sir Archibald Clark Kerr, British Ambassador to China, in a special statement, said that, with the full approval of the British Secretary of Foreign Affairs, Anthony Eden, he could state that the Burma Road would continue remain open, according to **United Press** report from Chungking.

Mrs. Eleanor Roosevelt, wife of the American President, sent Madame Chiang Kai-shek a Chinese legendary print dress which she purchased at a preview of dresses intended for sale for Chinese relief.

The U.S.Maritime Commission announced that additional service will be inaugurated to China.

Col. Hsieh Ching-yuan, recently murdered commander of the Lone Battalion, was posthumously promoted to the rank of major-general by a National Government mandate.

Mr. Yukichi Hayashi, former Chairman of the Japanese Ratepayers' Association in Shanghai, was sentenced to two years' imprisonment at hard labor by the Nagasaki District Court. The final execution of sentence was suspended for five years, a Japanese report said. Mr. Hayashi it will be recalled, shot and wounded Mr. W. J. Keswick, former Chairman of the Shanghai Municipal Council, late in January.

***

May 10

Fifty-four Japanese airplanes again raided Chungking. More than 200 bombs were dropped on the outskirts, destroying more than 100 houses and causing a number of casualties. The former French Embassy building and an American Mission school were also bombed and damaged, according to **Kuomin.** The raid was the third within a week The local military authorities started enforcing compulsory evacuation in view of frequent Japanese air raids on the city.

Generalissimo Chiang Kai-shek, President of the Military Affairs Commission, and Madame Chiang gave a reception in honor of Mr. Nelson T. Johnson, the American Ambassador, who had been transferred as Minister to Australia. In his speech, Generalissimo Chiang stated that Chinese victory or defeat in the war with Japan also will be an American victory or defeat in the Pacific. Referring to a **Japan Times & Advertiser** peace plan, Generalissimo Chiang said that the proposal was evidence that Japan plans eventually to strike at American possessions in the Pacific. Generalissimo Chiang also said that four years of Chinese resistance has exhausted Japan so that now she must resort to threats, blandishments and bluff to gain her ends of disintegrating the ranks of her desired victims. The reception was attended by the entire staff of the American Embassy and a number of prominent Chinese officials.

The Australian Cabinet approved in principle the immediate exchange of Ministers with China.

The official **Central Daily News** invited the United States Navy and Air Force to use the entire Chinese coastal belt for operations against Japan and urged America to join the European war immediately.

A Japanese naval landing party, at Shanghai with the cooperation of river police, indiscriminately sank scores of sampams while searching all small craft in the Soochow creek beyond Markham Road in an effort to uncover alleged Chungking terrorists. Hundreds of sampan-dwellers were made homeless.

Who's Who in China

William Wang, born at Honshan, Anhwei, July 7, 1904; A. B. in Philosophy, National Central University, 1927; M. Sc. Political Science, London School of Economics and Political

William Wang (Wang I-ling)
汪 弈 林

Science, 1930-33; professor, Anhwei University; Councilor, Planning Committee of the Publicity Department of Central Koumintang Party; now, Senior Secretary, Ministry of Interior; author of: "European Political Thought Since 1689," "The Social Philosophy of Adam Ferguson," and a number of articles published in Chinese magazines; address: Ministry of Interior, Chungking.

Chinese Officer Attempts Suicide

A high ranking military officer named Lei Kong, second in command of the Chinese forces at Wuchow, attempted to commit suicide April 15 by shooting himself with an army revolver. One bullet passed through his lung and doctors in attendance stated there was little hope for his recovery. According to a correspondent at Wuchow, reasons for the act were conflicting. One report stated that Lei had been criticised by his **superior** officer regarding his administration of provincial matters. Others, however, were to the effect that Lei's troubles were due to difficulties with his wife, who was arrested by the military authorities following his attempt at suicide.

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Men and Events

Japanese Navy Ministry appointed Capt. Kyoho Hamanaka Naval Attache in Mexico in succession to Capt. Katsuya Sato.

*

Dr. C. T. Wang, former Minister of Foreign Affairs and Ambassador to the United States, returned to Hongkong from a trip to Chungking, Kweilin and elsewhere in west and southwestern China.

*

Wei Tao-ming, recently appointed Ambassador to the Vichy Government in France, is in Hongkong on his way to his post. It was reported he intends to travel by way of Vladivostok and Moscow.

*

The Bulgarian authorities, now subject to Nazi orders, announced May 17 that three streets in the new town of Philippopolis would be named in honor of three friends of Bulgaria—Hitler, Victor Emanuel and Mussolini!

*

British Press Attaches in the Far East held an informal conference in Hongkong last week, those attending being John Alexander, Shanghai; Vere Redman, Tokyo and Leslie Smith, Assistant Press Attache, Hongkong.

*

An American sailor named Herman Laiger, on the President Filmore, was killed May 1 when he fell 35 feet from the boat deck to a railway line along the Kowloon Wharf at Hongkong.

*

All Soviet officers of all grades and branches of the military service in Siberia have been ordered to study the Japanese language since the signing of the neutrality pact, according to a **Transocean** report from Moscow.

*

An American aviation mission composed of three high ranking aviation officers, arrived in Chungking May 18, from Manila. The officers were Gen. H. B. Clagett, Col. H. H. George and Capt. F. K. McDonnell.

*

Walter Fuller, President of Curtis Publishing Company, Philadelphia, which prints the **Saturday Evening Post**, most widely circulated publication in America, announced May 17 that the policy of the **Saturday Evening Post** which has been consistently isolationist would be changed beginning with the issue of May 25. In a statement at Seattle May 17, Mr. Fuller said, "I have been isolationist and so has the **Saturday Evening Post**, but we are in the war now."

*

The official **Domei** service reported May 18 from Kalgan that the Federated Autonomous Mongolian Government had appointed a delegate who would be stationed in Tokyo and have charge of Mongolian affairs in the Japanese Capital. The delegate will be Yutaka Ito, a Japanese who also holds position of Vice-Minister of Communications for the Japanese-controled Government in Mongolia.

*

It was announced in Tokyo May 18 that Japanese women's organizations will send three delegates to an International women's conference scheduled to open in Berlin June 10. The Japanese delegates will be Miss Hideko Inour, President of the Nippon Women's College; Mrs. Yoshingko Chikaraishi, Director of the Women's patriotic Association; and Mrs. Kikuko Ohse, Director of the Women's National Defense Association.

There's a well known golf term, "Follow through," but it apparently has no connection with Marshal Petain's advice to Frenchmen, "Follow me on the road to honor....without any mental reservations," or the advice of **Pravda** to members of the Russian Communist Party, "Follow instructions given by the Communist Party to the letter, for it has become a sacred duty.

*

A Chinese mission composed of Lin Fu-yuan, Chen Yen-sheng and Chi Chun, members of the Overseas Aviation Promotion Committee, who recently visited the United States, reported on their return to China this week that they had raised a total of more than US5,000,000 for the Chinese airplane fund. The money was contributed by Chinese and Americans, stated the report.

*

More than 40 guests, including local American officials and residents, attended a luncheon at the American Club on Saturday, May 17, which was given by Admiral W. A. Glassford, Commander of the U. S. Yangtsze Patrol in honor of Col. DeWitt Peck, retiring commander of the U. S. Fourth Marines, and his successor, Col. S. L. Howard. Brief talks were made by Admiral W. A. Glassford, Col. Peck and Col. Howard.

*

The Nanking Government announced through its official **Central Press** on May 18, that a mission of 11 Chinese military officers, headed by Lieut. Gen. Hsu Peh-cheng, had returned from a tour of Japan. Gen. Hsu said that the purpose of the trip was to study outstanding features of the Japanese military system which might be adopted by the Nanking Army. He said he was "favorably impressed" with conditions in Japan, particularly the warm support which Chinese residents of Japan "were showing for Wang Ching-wei's peace movement."

The Sino American stabilization agreement has been put into effect and is functioning smoothly and satisfactorily, according to Henry Morganthau Secretary of the Treasury, in a statement to newspapers May 16.

*

The new U.S.S. Washington, 35,000-ton Battleship, was formally commissioned at Philadelphia Navy Yard May 16. The Washington carries nine 16-inch guns, has speed of 30 knots, and a cruising range of 5,000 miles. It cost U.S.$80,000,000.

*

Colonel DeWitt Peck, former Commander of the Fourth U. S. Marines was presented with a silver tray at a reception held for him and his successor, Colonel S. L. Howard, Tuesday, May 20 in the Mahjongg Room of the American Club by officers of the Fourth Marines. The tray was inscribed with the names of all the officers.

*

A Japanese military and naval mission which has been in Germany for several months arrived in Rome, Sunday, May 18. The heads of the mission are General Yamashita and Admiral Nomura. According to the **Giornale d'Italia**, the Japanese mission will be taken on an inspection tour of the Italian front.

*

Danish Consuls in New York, Chicago, and San Francisco have been dismissed by the Danish Government in Denmark for supporting the Danish Minister in America, Mr. Henrik de Kaufmann, in signing a treaty with the U.S. for cession of Greenland. The consuls probably will continue in office despite the order from the German-controlled Government in Denmark. The **London Daily Mirror** in commenting on the American occupation of Greenland recommended that America should follow a similiar procedure with regard to the Azores, which the U.S. uses as a base for Pan-American Atlantic Clippers. The Azore are controlled by Portugal.

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A "Bowl of Rice" movement has been launched in Hongkong by Madame Sun Yat-sen, widow of the late Dr. Sun Yat-sen. The movement is designed for the raising of funds for wounded soldiers and war refugees. The bowl of rice movement origirated in the U. S. shortly after the outbreak of Sino-Japanese hostilities. Banquets are held at wnich rice only is served, the guests contributing the difference in the cost between the rice dinner and a regular dinner to the Chinese Charity Fund.

*

Soviet diplomatic officials, in future, will have titles similar to those held by foreign office officials of other countries, accor ling to **Transocean** message from Moscow. Diplomatic titles established by long usage such as "Ambassador Extraordinary," "Minister Plenipotentiary," and "Charge d'Affaires," will be applied to Soviet diplomats in place of the title, "Representatives Plenipotentiary of the Soviet Union," stated the report.

*

The German authorities in occupied France have announced the enforcement on May 20 of a series of Anti-Jewish measures resembling in severity the regulations which have been enforced in Germany. According to **Havas** report from Vichy May 9, the new regulations for Jews bar Jews from participation in wholesale or retail business. They are also prohibited from engaging in banking business or owning hotels. Any Jews dismissed from their positions after May 1, will not be able to claim compensation, accoring to the Nazi regulations. The commissioners appointed by Nazi authorities to manage Jewish-owned concerns are prohibited from giving owners of these firms any money above that necessary to cover bare necessities of life. **Havas** also reported that a compulsory labor system for Jews had geen enforced in Bulgaria. The report said many Jews had been sent to labor camps in that country.

In Charge

Col. Samuel Lutz Howard

Col. Samuel L. Howard, new Commander of the U.S. Fourth Marines, first became a member of the Corps in 1914 as a second lieutenant. The following year he was graduated from the Basic School and was sent to Hawaii where he served until 1916. He served on the USS Wyoming in 1917-1918 and later on the Georgia and New Mexico. In 1926 he was transferred to Washington where he served in the Marine Corps Headquarters for two years. He then went to Haiti as Department Commander and in 1931 was on active assignment at Quantico, Virginia. In 1933 he returned to Washington where he remained until 1937, serving as Chief of Staff of the Second Division of the Fleet Marine Force, Marine Corps Base, San Diego, Cal., from which post he was ordered to Shanghai. Col. Howard held his first review of the Marine forces here on Saturday, May 17, when he formally took over from Col. DeWitt Peck.

*

Sir Archibald Clark Kerr's appeal for more Britons in the Far East to join the armed forces has received an encouraging response, according to reports in the Shanghai papers this week, stating that 14 men were departing for training bases in Malay immediately. The Ambassador's appeal declared that now is the time when defense of Britain was more important than maintainance of British business here. According to Major T.R.M. Wallace, the British recruiting officer in Shanghai, those who have departed or are planning to depart this week include: J. H. Prinold, G. Golston, B. Beasley, P. MacDonald, T. A. Cooper, H. J. F. Robinson, J. J. Martin, V. J. Barton, K. G. Stephenson, C. J. de Remedios, L. C. Illingworth, B. J. Whitehead, B. J. Deitz, and J. C. Wilson.

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BUILD UP BLOOD AND NERVES

Robert P. Martin, who represented the **United Press** in Manila for the past two years and prior to that was stationed in Chungking, has arrived in Shanghai and will have charge of the Shanghai office. Mr. Martin is a native of Seattle.

•

Miss Irene (Ira) Lembich, whose mother, Mrs. O. V. Lembich is editor and publisher of **Shanghai Zaria,** leading White Russian newspaper in Shanghai, was married on May 14 to N. Obolsky. The ceremony was held at the Russian Orthodox Church, and was followed by a reception at the Park Hotel. Mr. and Mrs. Obolsky went to Japan on their honeymoon trip.

•

Mayor Fiorello LaGuardia of New York inaugurated a "China Week" beginning May 17. The week was featured by drives for Chinese relief, the object being to raise US$5,000,000 in the U.S. New York's quota, according to the mayor, was U.S.1,700,000. A feature of the program was the exhibition of a Chinese junk known as the Amoy, which was sailed across the Pacific from Shanghai and eventually reached New York in 87 days. The junk was exhibited at Battery Park. Another feature of the week was a tag day participated in by 50 Chinese girls and 100 American debutantes.

Much Sino-foreign trade previously centered at Hongkong has been transferred to Rangoon, according to reports from Chungking stating that the Burma city is rapidly replacing Hongkong as an outlet for Chinese-foreign commerce. The report stated that Sino-foreign trade in Hongkong during the first quarter of this year dropped to less than half the amount of the same period last year.

•

On Friday, May 9, Shanghailanders inspected the new 6,751-ton M. S. "Cape Alava," one of the first of 200 fast freighters being constructed by the U.S. Maritime Commission. The ship, which has a length of 418 feet and a beam of 60 feet, is commanded by Captain John S. Smith. It is capable of a speed of 18 knots although the usual running speed is 14 knots. The "Cape Alava", which has a capacity of 8,950-tons, unloaded a large quantity of lumber and Canadian flour in Shanghai. The ship is constructed entirely of steel with the exception of four wooden doors leading from the captain's quarters to the bridge, and contains no rivets, being welded together. The local agents are Everett Steamship Company, of which R. G. Kendall is Manager. The "Cape Alava" was built in Tacoma for the American Mail Line.

Orphans Thrive on Red Cross Wheat

The picture at the top and the small one at the bottom are a few of a larger group of 400 Chinese orphans, refugees from the Sino-Japanese War, who have been supplied with considerable quantities of American cracked wheat and rice, supplied by the American Red Cross. The group at the top was taken at an orphange maintained by the Municipal Chinese Staff Association. The smaller picture at the bottom is part of another large group housed on Columbia Road, Shanghai. The group of refugees, including adults, shown in the bottom picture was taken at Wusih, former thriving industrial city about midway between Shanghai and Nanking. All of these refugees now receive rations consisting of American cracked wheat, donated by residents of the United States and distributed through the American Red Cross.

Institute of Pacific Relations Series Aid to Analyzing Far Eastern Problems

PREREQUISITES TO PEACE IN THE FAR EAST. By Nathaniel Peffer. New York, 1940. xii, 121 pages...Price, U.S.$1. Special local price, $7.50.

THE STRUGGLE FOR NORTH CHINA. By George E. Taylor. New York, 1940. xiv, 250 pages. Price, U.S.$2. Special local price, $15.

GOVERNMENT IN JAPAN. RECENT TRENDS IN ITS SCOPE AND OPERATION. By Charles B. Fahs. New York, 1940. xvi, 114 pages. Price, U.S.$1. Special local price, $7.50.

There is little chance that college professors of political science and history will be able to make a peace settlement for the world on a basis of reason, when the hostilities come to an end. Admission to the conference table will go to those who wield the sword—their power gives them their seat. Nevertheless, reasoned advice may temper their views. The more wide-spread the intelligent understanding of issues and problems, the better the chance of a satisfactory settlement. Since the present hostilities in China began, the Institute of Pacific Relations has been performing this service, as concerns the Orient. Previous studies issued by the Institute have been reviewed in this column, and new studies are being issued from time to time.

A teacher of International Relations at Columbia University, well known as a student of Oriental problems, Nathaniel Peffer, has in direct and brief manner tried to state the answer to the fundamental question—What are the "Prerequisites to Peace in the Far East"? What explains the upset conditions of the Orient? Just as everywhere, in international relations equality among nations aids stability, so inequality breds hostility and disturbance. For 100 years the Western nations, due chiefly to the uneven development of the world industrially, have enjoyed an abnormally favored position in the Far East. During this century it has been a truism that the situation in the Far East has been a "pendant of European high politics," and even today Europe still provides the key. Without doubt the final solution in the Orient will be affected by the result of the present European war, just as was true after the first World War. Both China and Japan, though enemies, are struggling to cast off this political superiority of the Western industrialized world. Stability and peace in the Orient requires that the Western countries give up what remains of their special positions, as a first prerequisite. In the long run they will lose what remains to them anyway as the world's inevitable evening process is carried out to the full.

Japan is in the peculiar position, however, of belonging in the ranks of the privileged industrialized countries of the West, even though she is at the same time, an Oriental nation struggling against time, an Oriental nation struggling against them. In the former role, she has been the most reluctant to surrender position of special advantage in China, and where others have found themselves unable to resist the rising tide of Chinese nationalism, Japan has met the challenge and answered it with the first potentially successful drive to subjugate all of China to the will of a single nation. There can be no stable settlement in the Orient, the author believes, which does not see the withdrawal of all Japanese forces from China, a second essential prerequisite; which leads to a third: China must be strong enough to safeguard her integrity and prevent encroachments from beginning again. (This implies extensive internal reconstruction—industrial and material, but just as impportant, social, to bring alleviation to the sufferings of the masses and stave off future revolutionary disturbances of which Chinese Communism is merely a mild manifestation).

But how could a settlement of this kind be made palatable to Japan, the initiator of the present hostilities? Japan must be made to see that even success in the China war would be an empty victory, for Japan would then find herself caught in the "cycle of imperialistic expansion." If China is to become a market capable of absorbing Japanese industrial goods, the purchasing power of the Chinese must be raised. This will come only as a consequence of further industrial development in China, who will thus rise as a competitor to Japan in production....a repetition of the development which has been taking place in the relations between Great Britain and India.

Due consideration must be taken of Japan's needs....the needs which have impelled her to expansion. Japan must be provided conditions which will enable her continued industrial development, which can solve all her problems. Part of this depends on herself. She has been weak because of her great dependence on foreign trade, but if she brings about internal reforms which will lift half her population out of "XVIII century" conditions she will develop a home market which will vastly decrease this dependence. Part of this depends on other countries. Japan must not be made to feel that her access to the raw materials of China and the south is insecure. As the most advanced of Asiatic countries she should exercise a "Monroe Doctrine" conferring upon her the right to act in case a Western power (Russia included) tries to extend sway in East Asia....but with the important corollary that such a Doctrine is at the same time a self-denying ordinance of Japan's part.

Even before the war began in 1937, the interest of Japanese in North China as a region for economic exploitation to round out the Japan-Manchukuo bloc, was unconcealed. Another recent issue of the Institute is a retailed study of the attempt on the part of Japan to extend control over this area....a study made by a then member of the Yenching University faculty, based on his own observations and many materials collected on the spot, some of which are reproduced in 13 appendices. This book relates the story of the Japanese-army-supported Provisional Government, from its founding back in the closing days of 1937, until its replacement by the North China Political Council, actually an autonomous body, which came into existence with the innauguration of the Wang Ching-wei regime in Nanking a year ago. The story's chief feature has

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CHINA WEEKLY REVIEW

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been the struggle for power between the Provisional Government and the rival "United Front" Border Government set up shortly after the establishment of the former.

Most readers of the **China Weekly Review** are familiar with the general aspects of the struggle still going on in North China between the Japanese, who occupy the cities and main lines of communications, and the Chinese guerrilla forces in the rural areas, operating chiefly under Communist leadership. The author gives a detailed analysis of the lack of success of the Provisional Government in its attempt to win the loyalty of the rather "non-politically minded" people of North China. Just as Japanese military conquest has been incomplete and struggle for economic control has resulted in chaotic conditions, so propaganda to make popular the "New Order" of East Asia for the East Asians and North China for the North Chinese has failed to carry any considerable section of the population. Nor has it been able to obtain the support of any first class Chinese leaders of prestige, but instead has only appealed to old discredited leaders who never accepted nationalist China....because the "New Order" really means a return to the old China: none of the nationalism, democracy, and livelihood of Sun Yat-sen, but an agrarian, non-nationalistic, non-military, Confucian China under Japanese tutelage. The reviewer, who spent the first seven months of 1940 in Peiping, highly recommends this study to any reader who wants to evaluate Japan's effort to control North China. The author has little sympathy for the "New Order," but his conclusion that the Provisional Government's record is one of failure he substantiates by facts, not opinions. And notably the recent Nanking regime did not turn to the Provisional Government as a model; but instead repudiated it, by claiming itself to be the true descendant of the Chinese Revolution led by Dr. Sun's favorite disciple.

Lurd attrocity stories coming out of the Orient lead lots of Americans to believe the worst about Japan, and make little attempt to develop a sympathetic understanding of her problems. Yet that is essential for a satisfactory solution of the problems in the Pacific. Dr. Fahs of Pomona College, a recent visitor in Shanghai, has contributed a short, compact study about government in Japan, which does not touch on international relations at all. His concern is the continued expansion of governmental control over economic life and over the individual; but it is wrong he emphasizes, to classify Japan as Fascist, or to attribute this development to her feudal military system—it is a common error, based on luck of knowledge, to describe Japanese government in such simple terms. Nor is the present war the cause of recent government in such simple terms. Nor is the present war the cause of recent government trends. Laissez-faire notions never had much hold in Japan in the pre--Meiji era, and Japan's westernization came at a time when in Western countries ideas of state control over economy was gaining fround at the expense of early XIX century theories. Present trends in Japan have had a long and natural evolution, the author in this work traces them in particular since 1931 and compares them the world trends in the same direction which are easily observed in the United States and other democratic countries. This study, based on extensive use of Japanese materials, is parhaps too technical and detailed to have much appeal to the general reader who is not already pretty weel acquainted with the Japanese system of government.

B. D. C.

Woman Traveller

MANY PORTS OF CALL, by Violet Sweet Haven, Longmans, Green and Co., New York, 1940. 250 pp., $3.

This most delightful book is not of fantastic happenings or impossible adventures but of the dreams of a highly ambitious, imaginative, sensitive girl and how she made them all come true by grasping life firmly with both hands and really doing her utmost to achieve her heart's desire. It is very real, very human and proves just what can be accomplished in the world if one has determination and perseverance and the courage of one's convictions. Violet Haven calmly reasons out that which she wants to do most of all and then, as she discovers the soundest and quickest way, just goes straight ahead, undaunted, taking obstacles merely as temporary setbacks.

After an uneventful childhood on the timothy and fruit lands of Idaho, graduating from Lewiston State Normal School, being a student at Washington States College and teaching for a year in a one-room school house in a lonely spot in her home State, an overwhelming urge to travel took possession of her and she managed to obtain a position as teacher in the Hawaiian Islands—a spot she had had vague visions of from the age of twelve. It was there among the beautiful surroundings of Mauna Loa that she developed a permanent and sincere love for Oriental peoples. A growing romanc took second place when a post was offered her at the American School in Tokyo and she began to succumb to her increasing wanderlust in real earnest. Coupled with her love of travel and of the Orient, there was a growing pride in her own country—America.

The ordered discipline and routine of school teaching became monotonous and she devoted more and more of her time to writing for **Japan Times and Mail,** enjoying no little success. But her yearning after knowledge became greater and she returned to the United States to obtain an M. A. degree at Columbia University, taking the more interesting and instructive route home via Colombo and Suez, aboard a slow steamer. A difficult period followed during which she nursed babies and old ladies, did stenographic work, served in a grocery store and worked on a dude ranch in order to make enough money for her studies and future travelling.

A major thrill was her first flight to Hongkong on the China Clipper. Another special dream came true when she made the Transatlantic Preview Press Flight from New York to Paris for International News Service with a party of special correspondents in 1939. She covered Mrs. Franklin D. Roosevelt's press conferences at the White House, interviewed the Duke and Duchess of Windsor, the Lindberghs, Admiral Harry E. Yarnell, famous Commander of the United States Asiatic Fleet, and other equally well known personalities.

Violet Haven carries the reader along with her on every adventure, every trial, every success, sharing her innermost hopes and fears joys. She grows up through the book from a little girl who used to pack peaches for odd dollars, into a charming lady journalist who is most competent, and who has, in her striving to fulfil her ambition, learned to appreciate the value of time and has found her road to happiness as she pursues her chosen course.

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